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doing business with SWEDEN

U. S. DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN COMMERCE

Users may wish to clip and paste articles from *Foreign Commerce Weekly*, the Bureau of Foreign Commerce principal periodical for traders and investors, into occasional blank pages.

Developments in the Swedish economy and in the Government's commercial policy, such as new legislation and changes in the control of exchange, the licensing of imports, and the levying of duties, are published regularly and in detail in the *Foreign Commerce Weekly*.

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doing business with SWEDEN

U. S. DEPARTMENT OF COMMERCE, Sinclair Weeks, Secretary

BUREAU OF FOREIGN COMMERCE, Loring K. Macy, Director

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Foreword

In *Doing Business With Sweden* the Bureau of Foreign Commerce has consolidated in one handbook the material appearing in the 12 separate reports on Sweden currently available in the Bureau's comprehensive subscription series known as the World Trade Information Service. In the process of consolidation the material has been updated insofar as possible.

The data as previously published in the World Trade Information Service were in turn derived largely from reports by the Foreign Service of the United States and from Swedish official publications.

The World Trade Information Service, available on an annual subscription basis, releases in the course of each year numerous separate reports on trade, economic conditions, tariffs, customs information, and other material of interest to American traders and investors covering 93 countries. Approximately 750 such individual reports are now in print.

The Bureau's principal purpose in republishing WTIS reports on Sweden in handbook form is to determine how useful such a consolidation might be to American traders and investors interested in doing business with a particular country.

In view of the fact that this booklet represents an experiment in presenting on a country-by-country basis the kind of data contained in the World Trade Information Service, the Bureau will welcome comments from readers concerning whether its publication in this consolidated form is useful.

The analytical and factual material herein has been assembled and expanded from the original World Trade Information Service reports by Grant Olson, Chief of the Swedish Section, and arranged and edited by Gladys A. West of the Publications Division.

Loring K Macy

LORING K. MACY
Director, Bureau of Foreign Commerce

JUNE 1957.

CHAPTER I

The Swedish Market and Economy

SWEDEN—MARKET FOR THE WORLD

For nearly a century, Sweden's foreign trade has generally been marked by an excess of imports over exports. Exports are of great importance to the economy, however, and fluctuations in this trade are quickly reflected in the country's level of prosperity.

Swedish exports, though fairly well diversified, are composed mostly of a few major classes of goods (woodpulp, paper, wood products, iron ore, iron and steel, and machinery). Imports, while covering a wide range of commodities, consist mainly of raw materials and fuel necessary for the country's agriculture and industry.

The sources of imports are not, as a general rule, the destinations of exports. As a consequence, Sweden's foreign trade has had a marked multilateral character.

Late Prewar and Early Postwar Trade

The excess of imports over exports was more than covered during the latest prewar years by earnings of the Swedish merchant marine and by other invisible incomes. Germany, the United Kingdom, and the United States were the outstanding participants in the prewar foreign commerce of Sweden, taking an average of 17, 25, and 11 percent, respectively, of exports and supplying 25, 19, and 15 percent of imports.

In the immediate postwar period the United States became Sweden's principal source of supply but did not assume a corresponding position as a market for Swedish exports. Because of the large excess of imports over exports in its postwar trade with the United States, and the shortage of convertible foreign exchange in the principal

countries to which it exported, Sweden suffered severe losses of gold and convertible exchange.

To correct this serious foreign exchange situation Sweden was forced in 1947 to reestablish rigid control over imports, particularly with respect to imports from the dollar area. (The wartime controls of imports had been rapidly relaxed after the end of the war.) As a result Sweden's trade with other European countries rose sharply and the United Kingdom replaced the United States as Sweden's leading trade partner.

More Recent Trade Developments

An important step in the foreign trade field—in reversal of the 1947 action—was the relaxation of import controls over a wide range of consumer and capital goods imported from the dollar area, effective on October 1, 1954. The announced purpose of this relaxation was to counteract inflationary pressures by increasing competition in the Swedish market and thereby improve productivity and reduce costs and prices; at the same time the Government would be prepared to participate in any general system of currency convertibility adopted by Western European countries.

As a participant in the trade-liberalization program of the Organization for European Economic Cooperation, Sweden had, in the meantime, been progressively liberalizing imports from OEEC countries.

Improved economic conditions in Europe, resulting in part from the operation of the European Recovery Program, has returned Sweden's foreign trade to a pattern more nearly approximating that of the prewar periods.

In 1956, Sweden's exports totaled 10,047 million crowns [1] ($1,940 million) and imports, 11,427 million crowns ($2,206 million). Of this trade 77 percent of the exports went to Europe and 71 percent of the imports came from there. The United Kingdom, Sweden's leading foreign market, took almost 18 percent of all Swedish exports in 1956 and supplied almost 14 percent of the imports. Germany was Sweden's foremost source of imports, supplying 22 percent; as a market Germany ranked second, taking 14 percent of Swedish exports. The United States retained its traditional position as Sweden's third most important source of supply, providing 10 percent of the imports. The United States ranked seventh as a market, taking 5 percent of total exports.

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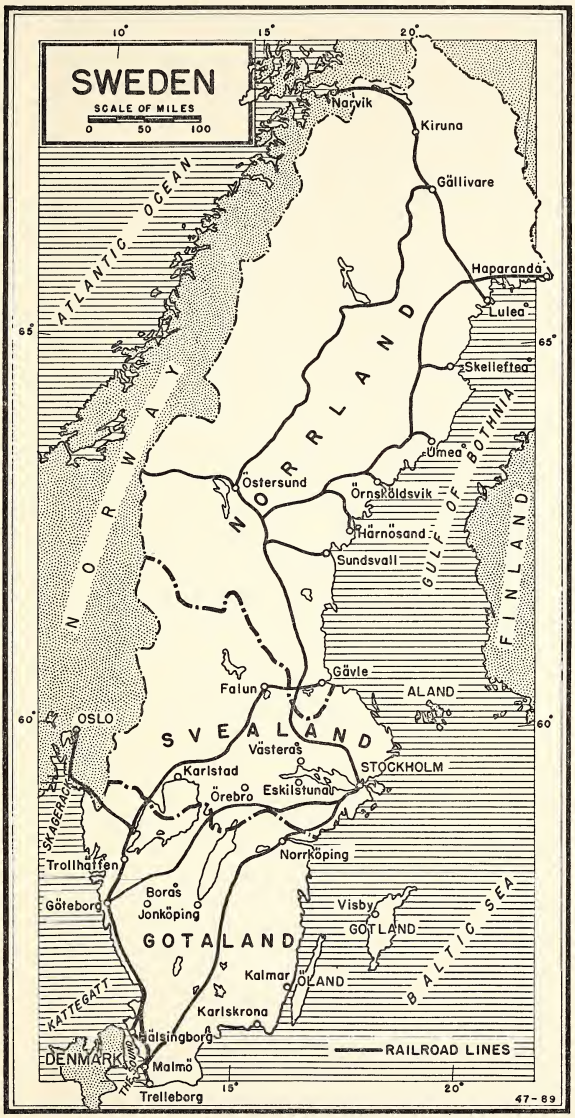
[1] The basic monetary unit of Sweden is the crown (krona) and the fractional unit is the ore; 1 crown equals 100 ore.

The current conversion rate is 5.18 crowns per US$1.


SWEDEN
SCALE OF MILES
0 50 100
10°
15°
20°
65°
60°
Narvik
Kiruna
Gällivare
Haparandá
Luleå
Skellefteå
Umeå
Östersund
Örnsköldsvik
Härnösand
Sundsvall
Gävle
Falun
ALAND
OSLO
Västerås
STOCKHOLM
Karlstad
Örebro
Eskilstuna
Norrköping
Trollhättan
Göteborg
Borås
Jönköping
Visby
GOTLAND
GOTALAND
Kalmar
ÖLAND
Karlskrona
Hälsingborg
Malmö
Trelleborg
DENMARK
RAILROAD LINES
ATLANTIC OCEAN
NORWAY
NORRLAND
GULF OF BOTHNIA
FINLAND
SVEALAND
SKAGERRAK
KATTEGATT
BALTIC SEA
THE SOUND
47-89

Sweden's trade with eastern European countries in the Soviet bloc amounted to around 4 percent of total imports and exports in 1956. This trade has varied between 6 and 8 percent of Sweden's total trade during the postwar period. Exports in 1956 totaled 356.5 million crowns ($68.8 million) and imports amounted to 558.5 million crowns ($107.8 million).

Sweden's 10 principal trading partners are listed below (data in millions of crowns):

	Imports			*Exports*		
	1954	*1955*	*1956*	*1954*	*1955*	*1956*
Total to world	9,193	10,305	11,427	8,196	8,945	10,047
Western Germany	1,867	2,257	2,513	1,008	1,183	1,371
United Kingdom	1,464	1,411	1,583	1,524	1,745	1,784
United States	724	1,011	1,171	381	435	516
The Netherlands	640	730	797	485	549	625
Belgium-Luxembourg	455	500	521	361	418	459
France	453	463	432	390	464	635
Norway	331	327	422	805	880	821
Denmark	325	373	384	538	517	556
Italy	280	290	324	257	262	322
Brazil	324	273	305	268	163	213

Most of Sweden's key export commodities moved at peak levels in 1956. Lumber was an exception; exports totaled 966,000 standards, slightly under the 1955 level. The United Kingdom remained the major purchaser of Swedish timber, but the Netherlands and Germany also were important markets.

Exports of chemical woodpulp totaled 2,115,000 tons in 1956, and mechanical woodpulp, 432,000 tons. Exports of these products were the largest recorded in the postwar period and were only slightly below the peak level of 1937, when, however, less woodpulp was manufactured into paper and viscose products in Sweden. Most of Sweden's woodpulp exports go to Western European countries, the United Kingdom being the most important market. Exports of chemical pulp to the United States have been slumping in recent years, averaging about 170,000 tons in the period 1954–56 as compared with the 1947–48 average of 430,000 tons. Exports of mechanical pulp to the United States usually are negligible.

Paper and paperboard exports amounted to 921,000 tons as compared with 825,000 tons in 1955. Newsprint exports rose to 246,000 tons from 197,000 tons in 1955 and kraft paper was also in greater demand. The United Kingdom was Sweden's best customer for paper.

Iron ore exports set a new record in 1956, reaching 17,290,000 tons; Germany was Sweden's best market, followed by the United Kingdom and Belgium. Exports of iron ore to the United States have slumped in recent years, after reaching a high point of more than 2 million tons in 1952–53.

Swedish iron and steel exports in 1956 were at high levels, totaling about 384,000 tons, an increase of 47 percent above 1955. Western Europe is the major market although exports to the United States are of considerable importance.

Exportation of engineering products showed considerable expansion in 1956, and in volume were 20 percent above the preceding year. A notable increase occurred in the export of motorcars. Shipbuilding yards also experienced a good year, deliveries amounting to 495,000 tons. Norway was the best customer for Swedish yards.

Swedish foreign trade by currency areas in the period 1954–56 is shown in table I of appendix A. Other tables in that appendix deal with Swedish import and export trade by principal commodities and countries.

UNITED STATES SHARE OF THE MARKET

As indicated in table VIII of appendix A, Swedish imports from the United States in 1956 reached $226,218,000, an increase of more than 15 percent over 1955. Principal imports from the United States are cotton, grain, tobacco, fresh and dried fruit, synthetic fibers, coal, petroleum products, chemicals, steelmill products, tractors, automobiles and parts, and machinery of all kinds.

Swedish exports to the United States (see table IX, appendix A) continued to climb in 1956, amounting to $99,672,000, an increase of about 17 percent over 1955. Although exports of woodpulp and iron ore were down as compared with the earlier postwar years, these two commodities accounted for about 38 percent of all Swedish exports to the United States in 1956. Products of particular importance in exports to the United States include iron and steel, paper, and machinery.

MARKET COMPONENTS, CHARACTERISTICS

Physical Setting

Sweden is the third largest country in Western Europe. Its area is 173,423 square miles, of which 158,486 are land and 14,937 are water. It occupies the eastern part of the Scandinavian peninsula, being separated from Norway on the west by a mountain range, Kjolen. The Gulf of Bothnia and the rivers Kongama, Muonia, and Tornea separate Sweden from Finland to the east and north. The Kattegat, Oresund (the Sound), and Koge Bay constitute the water boundary between Sweden and Denmark to the southwest. The land frontier facing Finland is 333 miles long and that facing Norway, 1,030 miles. Sweden extends 978 miles at its longest point and 310 miles at its widest. The total length of coastline is 4,737 miles.

The three main territorial divisions are Norrland, Svealand, and Gotaland. Main physical divisions are the northern mountains and the lake region, covering all of Norrland and the western part of Svealand; the lowlands of central Sweden; the Smaland highlands

in the south and southeast; and the plains of Skane, occupying the extreme south of the peninsula. With the exception of Skane and some fairly extensive agricultural lands in the central area, Sweden is a country of forests, rivers, and lakes. Forests cover more than 54 percent of the land area and crop and grazing land, 11 percent. The remaining 34 percent is uncultivated or waste land.

Situated between latitudes 55°20′ and 69°4′ N., Sweden has a relatively favorable climate because of the warm Gulf Stream, which passes the western coast of Norway and sends an arm into the Skagerak. On the other hand, the Russian continental mass influences Sweden's climate unfavorably, especially in the winter, when cold easterly winds prevail.

Because of Sweden's great length from south to north the climate varies considerably. In Skane, the summers are about 142 days long, while winters are about 72 days; in Stockholm, the corresponding periods are 124 and 121 days; in the northernmost part of the country, summer is only 88 days and winter lasts 186 days. Summer daylight continues far into the night throughout Sweden and, in the upper part of Norrland, is continual for 53 days.

February, the coldest month, has a mean temperature of below 32° F. throughout Sweden (Stockholm averages 25.7°; Goteborg, 30.4°; and Haparanda, in the north, 10.6°). The average annual precipitation for the south of Sweden in 23 inches and for Lapland, 12 inches. Generally, snow lies on the ground about half of the year in northern regions and about 2 months in the south.

Population

The total population as of January 1, 1956, was 7,290,112, of whom 3,604,027, or 49 percent, were urban. The total occupied population (3,108,756) was distributed as follows, according to the 1950 census: Agriculture, 631,529; mining, 13,379; industry and handicraft, 1,253,942; transportation, 250,569; trade, 497,372; public administration and free occupations, 344,531; domestic service, 90,250; unspecified occupations, 27,184.

Populations of leading cities as of January 1, 1956, were, in thousands: Stockholm, 786 (greater Stockholm, 1,062); Goteborg, 380 (including 8 principal suburban communitiees, 440); and Malmo, 209 (including 2 principal suburban communities, 219). Other important cities and their populations were, in thousands: Norrkoping, 89; Halsingborg, 74; Orebro, 71; Vasteras, 68; Boras, 63; Linkoping, 61; Gavle, 51; Jonkoping, 48; Halmstad, 37; Lund, 37; Kalmar, 29; Sundsvall, 28; and Ostersund, 24.

The Lapps of the north, numbering about 10,000, constitute the only significant racial minority.

School attendance is compulsory and illiteracy is virtually nonexistent. Of the 934,858 children of school age (7 to 14 years) in 1954, the number attending school was 806,419. Enrollment in the fall of 1955 in state high schools was 176,802; and in the universities, 15,928.

Form of Government

A constitutional monarchy, the Kingdom of Sweden might also be described as a parliamentary democracy. The present ruler, Gustaf VI Adolf, ascended to the throne in 1950.

The Constitution of 1809 provides for a balance of power, with executive and judicial authority vested in the King-in-Council, or the Government, and legislative authority exercised by the King and the Riksdag (Parliament) jointly, the right to tax being placed exclusively in the hands of the Riksdag. The Riksdag consists of the First (Upper) Chamber of 150 members and the Second Chamber of 230 members. The First Chamber is elected by indirect vote of the Provincial councils (Landsting) and, in towns not represented in the Provincial councils, by the town councils, one-eighth of the Chamber being renewed each year. The Second Chamber is elected by direct vote every 4 years. The present coalition government of Social Democrats and Agrarians came into power on October 1, 1951.

For local administration the country is divided into Provinces (lan). The number of such administrative Provinces is 25, of which the city of Stockholm is 1; their physical boundaries differ somewhat from those of the 25 historical Provinces. Each Province except Stockholm is administered by a governor. Stockholm has a governor general.

Structure of the Economy

The economy is based on private enterprises—95 percent of all industry is privately owned. Public ownership holds 1 percent and consumer cooperatives account for the remaining 4 percent. As will be noted in the more detailed discussion in the following sections, industry is well diversified, the manufacturing of forest and metal products ranking foremost, and agriculture is tending toward self-sufficiency. Heavy emphasis is placed on the development of hydroelectric power to compensate for a lack of petroleum and adequate coal deposits. The position of foreign trade in Sweden's economic structure—its importance to the country's level of prosperity—has already been touched on.

Sweden's balance of resources for the period 1953–56 at current prices is given in table 1.

Table 1.—Balance of Resources, by Years, 1953–56

[Millions of crowns [1]]

Item	1953	1954	1955	1956 [2]
Resources				
Gross national product at market prices	43,300	45,420	48,920	51,730
Imports of goods, c. i. f.	8,170	9,190	10,340	11,400
Reduction of stocks, etc.	270	140		
Total	51,740	54,750	59,260	63,130
Uses				
Private domestic investment	7,430	8,030	8,390	9,050
Public domestic investment	5,620	5,840	6,120	6,470
Increase of stocks, etc.			1,020	
Export of goods, f. o. b. and net of services	8,500	9,030	9,920	11,220
Private consumption	25,090	26,370	28,020	30,050
Public consumption	5,100	5,480	5,790	6,340
Total	51,740	54,750	59,260	63,130

[1] 5.18 crowns equal US$1.
[2] Preliminary.

Agriculture

Agriculture in Sweden is carried on chiefly by small family-owned farms. Of the 363,000 farm units reported in 1954, about 74 percent were 25 acres or less. Large farms of over 250 acres cultivate little more than 1 percent of the total arable land. The arable land is mainly in the south of Sweden, where most of the large estates still are found. Farming in northern Sweden generally is combined with forestry.

Sweden's postwar agricultural policy is aimed primarily at self-sufficiency. A long-term policy, adopted in 1947, is aimed at obtaining for the agricultural population the standard of living enjoyed by other groups in the community. In carrying out this policy the Government has, among other things, adopted measures to promote the consolidation of small uneconomic farm units; improvement in land layout and in cultivation through increased mechanization; more effective use of fertilizers; the use of better seed; and improvement in livestock management.

The distribution of total land in 1951 (the latest year for which official figures are published) was as follows:

	Hectares [1]	*Percent*
Cropland	3,647,287	9.0
Cultivated grassland	188,853	.5
Natural grassland	535,095	1.3
Forest land	22,486,062	54.7
Other land	14,199,507	34.5
Total	41,056,804	100.0

[1] One hectare is equivalent to 2.471 acres.

Farmers own about one-half of the forest land and one-third of "other land."

Table 2 shows agricultural production in 1954–56, as well as average production for 1936–40; table 3, the production of meat, eggs, margarine, and important dairy products; and table 4, the numbers of livestock for 1947, 1955, and 1956.

Table 2.—Volume of Agricultural Production, 1936–40 (Average) and 1954–56

[Thousands of metric tons]

Crop	1936–40	1954	1955	1956
Grain:				
Winter wheat	536	582	462	607
Spring wheat	136	438	285	338
Rye	344	301	176	274
Total bread grain	1,016	1,321	923	1,219
Barley	210	361	423	618
Oats	1,205	863	634	1,148
Mixed grain	552	657	547	715
Total coarse grain	1,967	1,881	1,604	2,481
Total grain	2,983	3,202	2,527	3,700
Hay, cultivated and wild	5,143	4,932	3,529	3,776
Potatoes	1,921	1,429	1,339	2,146
Sugar beets	1,894	1,848	1,630	1,843
Fodder roots	2,672	975	795	1,076

Table 3.—Production of Meat, Eggs, Dairy Products, and Margarine, 1939 and 1955–56

[Thousands of metric tons]

Item	1939	1955	1956
Meat	301	347	324
Eggs	64	84	84
Milk	4,720	4,119	3,983
Butter	101	86	84
Cheese	43	54	51
Margarine	59	100	111

Table 4.—Livestock Numbers, as of June 1, 1947, 1955, and 1956

[In thousands]

Item	1947	1955	1956
Horses	551	312	284
Cattle	2,797	2,575	2,433
Sheep	421	177	141
Pigs	2,089	1,568	1,598
Poultry [1]	8,361	7,544	7,451

[1] As of April 16.

The use of tractors on Swedish farms has moved forward rapidly; they totaled 107,458 on October 1, 1954. Other forms of farm machinery, such as combine harvesters and milking machines, are widely used in areas where farming lends itself to a high degree of mechanization. Most farms have electric power, and use electric motors and appliances both in farm buildings and houses.

Fisheries and Forestry

Fishing is done along Sweden's coast and in the numerous lakes and rivers. Most important are the deep-sea fisheries in the Baltic Sea, the Kattegat, the Skagerack, and in the North Sea, north and west of the Shetlands and Scotland, and Iceland. The west coast fisheries engage the largest number of fishermen and yield the largest catches. Herring, including Baltic herring, are in greatest volume, followed by cod, mackerel, plaice, and other flatfish. Herring and mackerel are exported, some of the catches being landed by Swedish fishermen direct in foreign ports, chiefly in Denmark and the United Kingdom. Salmon and crustaceans are consumed almost entirely by the domestic market.

In 1954, Sweden had 11,731 professional and 7,821 part-time fishermen. The fishing fleet totaled 19,238 craft and the catch amounted to 193,317 tons [2] valued at 124,480,000 crowns.

The forests, covering 57.3 million acres, or more than half of the land area, are probably the nation's greatest single source of wealth and are popularly referred to as Sweden's green gold. Ownership of the forests is as follows, in percent: Private owners, 54; corporations, about 25; the state, 19; and the church and other public bodies, about 3.

The greatest proportion of forest area is in the north central Province of western Norrland. Pine and spruce are the principal types of trees; birch is found throughout the country, even on the high moors of Lapland; and oak, lime, and elm also grow, particularly in southern Sweden. Other species include aspen, mountain ash, bird cherry, alder, and willow. Swedish timber is generally of a high quality, particularly that of northern Sweden.

Sweden has a highly developed forest-conservation program, and intensive research has been carried on with respect to rational silviculture. This program is designed to maintain the high quality of Swedish timber products. Estimated yearly cutting of timber in the 1945-53 period averaged over 40 million cubic meters, with percentage use about as follows: Sawmills, 33; woodpulp making, 35; fuel, 27; and other uses, 5. An extensive system of waterways provides inexpensive transportation of the logs from the forest to the mills, most of which are situated along the coast. Since the war, however, increasing amounts have moved to the mills by rail and truck. Shortage of forest labor has led to the introduction of one-man chain saws, mobile barking machines, and mechanical handling plants.

Mining

Mining, carried on in two widely separately regions, is devoted chiefly to iron ore extraction. The mining region of central Sweden

[2] All tonnages given in this book are metric unless otherwise indicated.

(Bergslagen) is important for low-phosphorous iron ore, upon which the domestic high-quality iron and steel industry is based. The other region, in Lapland north of the Arctic Circle, yields a high-phosphorus iron ore chiefly for export; this ore is shipped through the ice-free port of Narvik, Norway, and through Lulea, on the Gulf of Bothnia, in Sweden.

The deposits in central Sweden are estimated at about 220 million tons, and those in Lapland, considered among the richest in the world, are estimated at over 2 billion tons.

Most Swedish ores are rich in iron, those in central Sweden containing between 50 and 60 percent and the Lapland ores between 60 and 70 percent. Preliminary statistics show that 18.9 million tons of iron ore were extracted in Sweden in 1956, of which 17.5 million tons were exported. During most of the postwar period around 2 million tons of Swedish ore have been shipped annually to the United States. However, these exports dropped to 1.6 million tons in 1954, to 1.1 million in 1955, and to 991 thousand tons in 1956.

Relatively small deposits or other minerals, such as gold, silver, lead, copper, zinc, pyrites, tungsten, manganese, molybdenum, and arsenic, are found in northern Sweden. Some coal of a rather low quality is produced in southern Sweden. Also, some petroleum is extracted from a shale oil deposit in south central Sweden. This shale oil operation produced, in 1956, 28,602 cubic meters of gasoline, 15,846 cubic meters of gas oil, and 71,385 cubic meters of heating oil. The shale deposits are also a source of uranium.

Granite, feldspar, quartz, and marble are quarried in various parts of the country.

Industry

Swedish industry centers around the country's three principal resources—forests, iron ore, and waterpower. Production has shown an almost steady increase throughout the postwar period, except in the years 1952–53. Table 5 shows the production index for 1937 and the 6-year period 1951–56.

Table 5.—Industrial Production Index, 1937 and 1951–56

[1935=100]

Year	All industry	Capital goods	Consumer goods
1937	122	127	116
1951	206	226	175
1952	202	228	164
1953	204	228	173
1954	213	231	182
1955	226	251	187
1956	232	262	188

Sweden's main industries—lumber, pulp, and paper; iron and steel manufacturing; machinery and shipbuilding; and chemical manufacturing—are all geared for export. The forest products, metalworking, machinery, and shipbuilding industries account for about three-fourths of total Swedish exports; the forest products industry alone supplies 41 percent of total exports.

In 1956 Swedish production of pig iron and steel ingots ran at an average annual rate of 1,450,000 tons and 2,402,000 tons, respectively. Annual production in 1956 of selected other commodities was as follows (in tons): Cement, 2,500,000; cotton yarn, 27,400; wool yarn, 14,000; staple fiber, 15,000; cotton piece goods, 25,000; sulfite woodpulp, 1,696,000; sulfate woodpulp, 1,400,000; mechanical pulp, 800,000;[3] lumber, 6,800,000 (cubic meters);[3] plywood, 24,000;[3] wallboard, 447,000; paperboard, 190,000;[3] newsprint, 415,000; wrapping paper, 622,000; automobiles (units), passenger, 44,716;[3] and trucks,[3] 15,941; ball and roller bearings, 11,386;[3] matches, 19,600.[3]

Sweden's industrial pattern has been undergoing a change since World War II, reflecting a national policy of placing greater emphasis on the exportation of manufactured goods. Postwar investment in the forest products and iron and steel industries has been concentrated on modernization of plant and equipment with a view to greater refinement of forest and steel mill products.

The forest products industry is concentrated in northern Sweden. Most plants are along the coast, providing easy access for ships arriving to take on exports. Some important plants are located also in central and south Sweden. The steel-mill industry is in north central Sweden near the Bergslagen iron ore fields. The only state-owned plant in this industry is at Lulea in northern Sweden. The shipbuilding and machinery industries are centered around Goteborg, Malmo, and Stockholm. Goteborg is also the center for other industries, such as weaving, ball-bearing manufacture, and fishing.

The textile industry is carried on in southwestern Sweden in such cities as Boras and Alingsas. Orebro is the center for the shoe industry. Norrkoping, near Stockholm, contains important textile mills, an agricultural machinery plant, and a rubber mill.

Power

Sweden is among the few highly industrialized countries with no resources of high-grade solid fuel, and has concentrated on developing its waterpower resources for the production of electricity. Electric energy output has expanded rapidly. In 1955 it totaled 24,721 million kilowatt-hours, of which 21,600 million were produced by waterpower.

[3] 1955 figures.

Industry used 13,807 million kilowatt-hours, or about 65 percent. By the end of 1956, hydroelectric capacity was estimated to total 26,400 million kilowatt-hours.

About 85 percent of the hydroelectric power is generated in northern Sweden. This necessitates long transmission lines as five-sixths of the people live in the southern half of the country. Swedish engineers are credited with building the first transmission line to carry 380,000 volts.

Sweden's total resources of waterpower are estimated at about 150 billion kilowatt-hours but the amount economically exploitable under present conditions is given as 50 billion. Plants designed and constructed by the State Power Board, and operated by the State Power Board and municipalities, account for about 50 percent of the power produced. Some of the large private producers plan and build their own plants.

Serious thought is being given to the use of atomic energy in electric energy production.

FINANCE

Currency and Exchange

Sweden's circulating media consist of paper notes issued by the Riksbank in denominations of 1, 5, 10, 50, 100, 1,000, and 10,000 crowns, together with silver coins of 2 crowns and 1 crown and 50, 25, and 10 ore and copper-nickel coins of 5, 2, and 1 ore.

Gold payments were suspended on September 28, 1931. On July 13, 1946, the Swedish crown underwent a general appreciation which reduced the pegged rate from 4.20 crowns per US$1 to 3.60. The crown was devalued, however, on September 20, 1949, following the devaluation of the pound sterling, and the current rate is 5.18 crowns per $1.

Foreign exchange control was introduced in 1940, but was not strictly enforced until the fall of 1947. At that time, rigid measures (including requisitioning of Swedish-owned liquid foreign exchange) were adopted to counteract the great outflow of gold and foreign exchange which had taken place since the middle of 1946.

The exchange situation has now improved considerably. Sweden's dollar exchange position has shared in this improvement, with the result that licensing control has been relaxed for a wide range of dollar-area goods.

Sweden is a member of the International Monetary Fund and the European Payments Union. Commercial banks are permitted to trade freely in spot and forward pounds sterling, Dutch florins, and Swiss and French francs within a specific range permitted under the articles

of the International Monetary Fund. The Swedish Riksbank's gold and dollar holdings on December 31, 1956, totaled 2,375 million crowns. Holdings of EPU currencies totaled 235 million crowns and those of other currencies, 32 million. Banknotes in circulation on December 31, 1956, totaled 5,598 million crowns—somewhat below the present (July 1, 1957) legal limit of 6,300 million.

Marshall Plan Aid

Because of her dollar deficit Sweden was in need of Marshall plan aid during the early postwar period. This assistance was in the form of loans and conditional aid (Sweden received no direct grants under the program), and was designed to give Sweden time to make minimum adjustments necessary to balance its accounts and convert soft-currency surpluses into needed dollars, thus helping Sweden develop a stable economy and maintain its contribution to European recovery.

During the period April 3, 1948, through June 30, 1951, Sweden received allotments totaling $118.5 million. In February 1952 conditional aid to Sweden was reduced by $11.4 million and allotted to the European Payments Union, leaving total aid at $107.1 million for the period April 3, 1948, through March 31, 1953. Of this total $20.4 million was in the form of loans; the rest was conditional aid. Sweden has received no allotments under the program during the period July 1, 1951, to date.

Balance of Payments

Because of improved trade and shipping earnings, Sweden's 1956 balance of payments showed a smaller deficit than in 1955. Table 6 shows Sweden's balance of payments for 1947 and 1954–56.

Table 6.—Sweden's Balance of Payments, 1947 and 1954–56

[Millions of crowns]

Item	1947	1954	1955	1956
Exports (f. o. b.)	3,240	8,196	8,949	10,047
Imports (c. i. f.)	5,220	9,192	10,297	11,427
Balance of trade	−1,980	−996	−1,348	−1,380
Net receipts from shipping	+600	+875	+1,030	+1,215
Other services, etc., net	−60	−45	+50	−25
Balance of payments	−1,440	−166	−368	−190

European Payments Union

The initial quota allotted Sweden for accounting purposes, as a member of EPU, was $260 million or about 1,350 million crowns,

equivalent to 15 percent of the total turnover of payments and receipts in respect to Sweden's visible and invisible trade with all other members and their monetary areas for the calendar year 1949. Its initial debit balance was $21.2 million. Under the provisions of the EPU agreement which went into effect on August 1, 1955, Sweden was given a quota of $624 million.

It closed the calendar year 1955 with a net surplus position with the EPU of $30.5 million, which increased the net cumulative accounting surplus of $109.6 million.

COMMERCIAL POLICY

Sweden is a member of the Organization for European Economic Cooperation as well as of the European Payments Union and the International Monetary Fund. It has cooperated in the OEEC trade-liberalization program. Over 90 percent of Swedish imports from the EPU countries and their currency areas and from Finland, Yugoslavia, and Indonesia have been liberalized. A wide range of products may also be exported without license to EPU countries and their currency areas, and to the United States and most other Western Hemisphere countries.

Sweden is a Contracting Party to the General Agreements on Tariffs and Trade (GATT), and has taken an active part in the several tariff-negotiating conferences. The exchange of goods between the United States and Sweden is governed by provisions of the Annecy Protocol of Terms of Accession to the General Agreement on Tariffs and Trade [4], which entered into effect on April 30, 1950. This protocol supplanted the 1935 United States-Swedish reciprocal trade agreement.

An export credit guaranty system has been in operation for many years and is administered by the Swedish Export Credit Guarantee Board.

TRADING POTENTIALS

The standard of living in Sweden is high, and the people demand quality merchandise. Industry is varied and progressive, offering a favorable market for both raw materials and machinery. The development of industrial research is marked by a close cooperation between private industry and the state. Swedish engineers and technicians have made many valuable contributions to modern technological development. Much attention is devoted to studying industrial methods and practices of the leading industrial countries of the world. There is particular interest in developments in the United States.

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[4] In addition to relationship under GATT, the United States signed a convention with Sweden, effective from December 12, 1939, designed to avoid double taxation.

Income and Bank Deposits

Table 7 shows income by principal economic groups based on tax statistics for the years 1950 and 1954.

Table 7.—Income by Principal Economic Groups, 1950 and 1954

[In million crowns]

Group	1950	1954
Employers:		
Agriculture and allied activities	1,644	2,243
Industry and handicrafts	678	898
Communication	164	274
Trade	812	1,074
Free occupations	193	222
All employers	3,491	4,724
Employees:		
Agriculture and allied activities	993	1,352
Industry and handicrafts	7,135	10,543
Communication	1,451	2,218
Trade	2,276	3,600
General administration	2,348	3,469
Free occupations	176	254
Domestic service	199	275
All employees	14,578	21,962

Bank deposits as of December 31, 1956, are shown below:

	Thousands of crowns
Commercial banks	13,090
Postal savings banks	3,315
Postal transfer deposits (postgiro)	2,128
Savings banks (larger)	11,097

Construction Cost Indexes

Table 8 shows indexes of construction costs in 1955 and 1956.

Table 8.—Swedish Construction Cost Indexes, 1955–56

[January 1, 1950 equals 100]

Period	Total cost	Wage index	Material index
1955:			
January 1	135	133	137
May 1	138	133	137
July 1	138	135	140
November 1	140	135	143
1956:			
January 1	141	135	144
May 1	143	140	145
July 1	144	140	146
November 1	144	140	146

CHAPTER II

Distribution Facilities and Services

MARKETING CHANNELS AND PATTERNS

Principal Commercial Cities

The largest import, export, transit, and distribution centers in Sweden, with populations as of January 1, 1956, in parentheses, are Stockholm (786,000), Goteborg (380,000), Malmo (209,000), and Norrkoping (89,000). The centers of wholesale trade are confined to large cities and to a number of medium-sized towns, such as Halsingborg, Lund, Halmstad, Kalmar, Jonkoping, Linkoping, Orebro, Gavle, Sundsvall, and Ostersund. Retail stores spread in a network over the country.

Free Ports

Goteborg, Malmo, and Stockholm have free ports designed for transit traffic and as concentration centers for imports and exports. Swedish free ports are under the supervision of the Royal Board of Customs, which has authority over all goods and traffic passing through the ports in order to insure that Swedish laws and regulations are observed. Goods within the free-port areas are exempt from Swedish customs duties, other import charges, and manufacturing taxes. Manufacturing may be carried on in the free-port areas under special authorization from the Crown, but retail trade is prohibited except as may be authorized to provision and service ships and aircraft.

It is estimated (at the end of 1955) that the free-port areas at Goteborg, Malmo, and Stockholm are capable of storing some 250,000 tons of commodities, or 125,000, 60,000, and 65,000 tons, respectively.

Importers, exporters, and manufacturers' agents.—As indicated above, importers are located chiefly in Stockholm, Goteborg, and Malmo. Exporters include manufacturers located all over Sweden and agents in Stockholm and Goteborg. About 700 manufacturers' agents are members of the Federation of Swedish Commercial Agents (Svenska Handelsagenters Forening), Stockholm; of these, 380 are in Stockholm, 114 in Goteborg, and 64 in Malmo.

Trade lists of importers and dealers in Sweden, classified by commodity, and similarly classified lists of manufacturers and exporters, are available for $2 per commodity list from the Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C., or from the Department's Field Offices. World Trade Directory Reports on individual Swedish firms are available from the same sources for $1 each.

Wholesalers and retailers.—The Federation of Swedish Wholesale Merchants and Importers (Sveriges Grossistforbund), Stockholm, has 1,420 members. Its membership had a total sales turnover of 10,020 million crowns in 1955. Of total sales, about 65 percent were handled by members in Stockholm, Goteborg, and Malmo.

ICA-Koncernen (ICA concern), a wholesale organization in Stockholm, accounts for about 5 percent of total wholesale trade; it is owned by 11,000 retailers throughout Sweden, and consists of Hakonbolaget, Vasteras; Eolbolaget, Goteborg; AB. Speceristernas Varuinkop, Stockholm; and Nordsvenska Kopmanna AB., Ostersund. These companies import foodstuffs, chemicals, paints, and so on.

The Federation of Swedish Retailers (Sveriges Kopmannaforbund), Stockholm, has 35,000 members throughout Sweden.

Consumer-cooperative societies.—Local consumer-cooperative societies, numbering 802, operate 8,041 retail outlets, of which 1,488 are self-service.

In 1955, these societies had a total turnover of 2,665 million crowns, representing between 15 and 20 percent of total Swedish retail trade. These cooperative stores sell for cash. The cooperative movement increased its membership considerably during the war years, and the latest published statistics indicate that over 1 million households are members of local cooperative societies. This means that the movement supplies more than 3 million persons.

The local consumer societies belong to a central organization, Kooperativa Forbundet (Cooperative Union), owned by them. The Cooperative Union is the wholesale society of the cooperative movement, and is the central buying organization for the local societies. It also operates some 40 manufacturing plants.

Advertising agencies and methods.—Sweden's advertising agencies are rather closely organized. To be accepted by the Svenska Tidningsutgivareforeningen (Swedish Publishers Association), an agency must meet certain requirements—there must be a need for the agency, it must be experienced in the field, and its books must be open for audit by the association. Only such authorized agencies may place advertising in Swedish newspapers, magazines, and trade journals.

Market research and copy testing developed considerably during the war years. Owing to the restrictions of the Publishers Association, it is difficult for foreign agencies to maintain Swedish branches; however, several Swedish agencies have connections with American advertising firms. A number of Swedish advertising concerns take only one customer in a particular field of industry.

Authorized advertising agencies include 15 in Stockholm and 1 in Goteborg. The largest has over 250 employees. The advertising agencies are not, as a rule, specialized. However, several small agencies, not in the association, specialize in such media as direct mail and billboards.

The value of Swedish advertising amounts to about 275 million crowns a year. The major advertising media are newspapers, magazines, and directmail.

The country is well provided with newspapers and magazines; in 1955, 216 daily newspapers issued 3,691,000 copies per day. Most of the daily papers have definite political affiliations, only 5 percent being designated "neutral or nonpolitical." However, distribution is largely independent of party politics.

Popular-type weekly magazines are issued in over 5 million copies. In addition, 500 publications—weekly, semimonthly, monthly, etc.—are issued on such special subjects as professions and trades; sports; social, political, and economic questions; the arts; and education.

Storage facilities.—In addition to the storage facilities in the free ports at Goteborg, Malmo, and Stockholm, customs warehouses (transitupplag) are available for storing dutiable goods which cannot be entered for direct consumption within the stipulated 15 days. Goods may be stored in such warehouses for a year.

Goods may also be stored under customs control in private importers' warehouses (tullnederlag) for as long as 5 years. Dutiable goods are classified when placed in such a warehouse but liquidation of duty is affected when the goods or parts of the goods are entered through customs for consumption. No deposit or bond is required. (For a fuller discussion see the section, "Entry, Transit, Warehousing," in chapter III.)

Commercial credit companies.—A number of companies in Sweden are organized for the specific purpose of providing credit

information, and commercial banks offer credit information service. Credit information firms also engage in collection work and some firms specialize as collection agencies. Many law firms also do general collection work. Finance or commercial credit companies finance installment sales. An insurance company has a special department that finances installment sales.

Chambers of Commerce.—The Swedish Chamber of Commerce of the United States has an office in Stockholm. This office and the General Export Association of Sweden are interested in fostering American-Swedish trade relations.

Trade fairs and exhibits.—These are discussed in a separate section, "International Fairs and Exhibitions."

U. S. Private Marketing Aids [1]

Businessmen unacquainted with the methods and special characteristics of financing business with Sweden should seek the advice and guidance of their banks or other financing institutions. Many leading United States banks maintain foreign departments especially for financing oversea shipments and otherwise serving foreign traders. Small banks usually make contacts with larger banks for assistance in this connection.

Study of foreign controls and barriers to a freer flow of trade is made continuously by private organizations of foreign traders. Some keep their members informed by means of periodic bulletins. For example, the Foreign Credit Interchange Bureau of the National Association of Credit Men, 229 Fourth Avenue, New York 3, N. Y., issues on subscription, minutes of roundtable conferences on exchange problems and other matters relating to foreign credit and finance.

The National Foreign Trade Council, 111 Broadway, New York 6, N. Y., concerns itself with such matters, among others, as foreign exchange developments, tariffs, trade preferences and trade discriminations, and export and import quotes. The council has a nationwide membership of companies in the export and import trades; firms which operate businesses abroad; banks and insurance companies; ocean, railroad, air, and communications companies; and other types of American firms which do business with countries abroad. It concerns itself with the improvement of conditions conducive to the development of business based on the principles of free, competitive enterprise, and supports the enforcement of domestic and foreign legal rights on behalf of American international business. Its consultative and informational services are available to members.

The National Council of American Importers, Inc., 45 E. 17th Street,

[1] Prepared by the Trade Development Division.

New York 3, N. Y., is a nonprofit commercial body organized for group action in the promotion of import trade. Its activities embrace study and action on problems of customs administration, trade agreements, import regulations, insurance and financing, and transportation and communications. Bulletins issued periodically to the membership provide a variety of information of specific value to import interests.

The Chamber of Commerce of the United States, a federation of chambers of commerce and trade associations in the United States and United States chambers of commerce abroad, has the general purpose of assisting in solving national problems which affect the strength and prosperity of the country as well as in serving its members. Its Foreign Commerce Department collaborates with the chamber's other departments on matters of international scope; one of these, the Foreign Policy Department, is concerned with problems in the field of international political and social affairs.

Many local chambers of commerce maintain foreign trade bureaus or other facilities to serve the interests of members engaged in foreign commerce. American chambers of commerce abroad, most of which are members of the Chamber of Commerce of the United States, offer export and import services to members and others. For example, the Swedish Chamber of Commerce of the United States in Stockholm, Sweden, is a focal point for the promotion of trade between the two countries. (Its parent organization, but not a member of the Chamber of Commerce of the United States, is the Swedish Chamber of Commerce of the United States, with headquarters in New York. This group is composed of Swedish manufacturers, American importers, and others primarily interested in Swedish exports to the United States.)

Voluntary associations of foreign traders, such as foreign trade clubs, export managers' clubs, or foreign trade associations or councils, are found in many of the larger cities or trade centers of the United States. Although differing somewhat in objectives, methods, and scope of activity, all such associations have the common aim of promoting the foreign trade interests of their communities or their members.

SWEDISH TRADE PRACTICES

Usual Terms of Sale

Swedish foreign traders adapt their terms of credit to the commodity and credit standing of the purchaser. Irrevocable letters of credit are used for most business transactions with United States and other foreign firms. The terms may also be cash against sight documents of 60 days or more. C. i. f. quotations in United States dollars

or Swedish crowns are preferred. Foreign exchange regulations prevailing in most European countries, including Sweden, normally dictate to a large extent the terms a Swedish exporter or importer may extend or receive.

In the domestic market, automobiles, furniture, household laborsaving devices, radios, and, to a minor extent, readymade clothing are frequently sold on the installment plan.

Established Customs of Trade

English is spoken by most Swedish businessmen, and commercial correspondence can be carried on in English.

In general, business hours are from 9 a. m. to 5 p. m., with an hour for lunch starting at noon or 1 p. m. Offices, stores, and banks close early on Saturday.

Holidays observed are New Year's Day and the day following, Epiphany (January 6), Good Friday, Easter Monday, Ascension Day, Whit Monday, Midsummer Day, All Saints Day, and Christmas Day and the day following, Boxing Day.

Most Swedish business and Government people concentrate their vacation periods in the summer, and a foreign visitor would find it difficult to do business or get appointments in such months.

Sweden uses Central European Time, 1 hour later than Greenwich Mean Time.

System of Weights and Measures

Sweden uses the metric system of weights and measures—1 metric ton equals 1,000 kilograms; 1 kilogram equals 2.2046 pounds; 1 meter equals 39.37 inches; and 1 liquid liter equals 1.0567 quarts.

Old Swedish measures are still in some use. These include the Swedish mile (10 kilometers); tunnland (0.49364 hectare, or about 1 acre); dussin (dozen); and tjog (score).

GOVERNMENT REPRESENTATION

The Embassy of Sweden is located at 2249 R Street NW., Washington 8, D. C.

The official commercial representative of Sweden in the United States is the Commercial Counselor of the Embassy of Sweden, who has an economic and commercial staff and offices in the Chancery of the Embassy in Washington, D. C. Swedish missions at the Embassy which have procurement and purchasing functions in the United States are the Office of Military Attaché; the Office of the Naval Attaché; and the Office of the Air Attaché.

Sweden maintains Consulates General at New York, Chicago, and San Francisco, and at these offices are Commercial Secretaries whose primary responsibility is the promotion of Swedish exports to the United States. Swedish consuls are located at a number of important centers in the United States. Exporters who do not find a consulate of Sweden listed in the telephone directory of their home town may learn of the location of the nearest office by writing to the Swedish Consulate General in New York or to the United States Department of Commerce in Washington.

The United States has an Embassy in Stockholm and a Consulate General in Goteborg.

TRANSPORTATION

Railways [2]

Sweden has an extensive rail network, about 80 percent being state owned. The total trackage in 1955 was 9,937 miles, of which 4,324 were electrified. In 1954 the railroads consumed 1,299 million kilowatt-hours of electric energy in operating locomotives. Coal consumption amounted to 339,000 tons (533,000 in 1950 and 653,300 in 1938) and fuel oil consumption reached 21,962 tons (11,812 in 1951 and 6,500 in 1950). About 85 percent of all rail traffic is hauled by electric locomotives.

Rail connections are maintained with the Continent and Denmark via train ferries, and through sleeper accommodations are available to the important capitals. Rail connections with Norway are direct and Finland can be reached via rail through northern Sweden.

Swedish passenger rolling stock has been undergoing considerable modernization, and streamlined express trains have shortened travel time between two of the key centers of traffic—Goteborg and Stockholm.

Highways and Inland Waterways

Sweden has a well-developed system of roads and highways, and has given considerable attention since the war to improving and expanding both primary and secondary roads. The total length of roads and highways is over 56,000 miles.

Motortruck and bus transportation is growing in importance.

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[2] Two reports published by the U. S. Department of Commerce in the World Trade Information Service may be of interest—Part 4, 55–10, *Developments in Railroad Transportation in Western Europe,* and part 4, No. 55–18, *Railways of Western Europe * * * Basic Information Sources.* They may be purchased for 20 cents a copy from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., or from any of the Departments' Field Offices.

At the end of 1956 registrations totaled 745,000 passenger automobiles, 115,000 trucks, and 313,805 motorcycles. Sweden is one of the few countries with left-hand traffic.

Extensive shipping takes place on Lakes Vanern, Vattern, and Malaren, connected with the ports of Stockholm and Goteborg by navigable canals.

Ocean Shipping

Sweden's merchant fleet plays an important role in carrying goods in foreign trade and in earning foreign exchange. On January 1, 1956, it consisted of 1,246 vessels of 2,952,546 gross tons, of which about 2,500,000 gross tons were motorships. Tankers represented about one-third of total tonnage. Net shipping earnings in 1956 have been estimated at 1,200 million crowns, compared with 1,025 million in 1955.

The fleet has been expanded and modernized since the war, and passenger vessels connecting with the United Kingdom and the United States are of the most modern construction. A new 24,000-passenger vessel was placed in traffic between New York and Goteborg in the spring of 1957.

The fleet is owned and managed by domestic interests, and receives no direct Government subsidies.

Sweden is well served by domestic and foreign shipping companies. An American company maintains regular sailings between ports of the United States, Sweden, and the other Scandanavian countries.

Of Sweden's three main ports, Goteborg, on the west coast, is the principal port for oversea trade; Stockholm is the chief Baltic port; and Malmo is the principal port for traffic with the Continent. These ports are accessible to large vessels, having depths at quayside of 10, 10, and 9.25 meters, respectively. Other large ports are Trelleborg and Halsingborg, connected by rail ferry with Germany and Denmark, respectively; Lulea and Gavle, which handle iron-ore exports; Sundsvall, which exports large quantities of forest products; and Norrkoping, Kalmar, Landskrona, Soderhamn, Karlshamn, and Ornskoldsvik. All have modern quays, cranes, railway connections, and warehouses.

Storage and dock facilities in the principal Swedish harbors for general cargo and for specialized cargoes, such as coal, oil, and grain, are considered good.

Numerous loading places are available; for example, at the mouths of Norrland's rivers a great many sawmills and pulp factories have their own harbors, devoted almost exclusively to export of the companies' products.

Air Transport

The Swedish Airlines (ABA), which has operated Sweden's domestic and international air routes since 1924, is today primarily a holding company for the Swedish share of the jointly owned and operated Scandinavian Airlines System (SAS).

SAS maintains services from Scandinavia to western and central European countries; to the Near East; several Far Eastern centers; over the South Atlantic to Rio de Janeiro, Montevideo, Buenos Aires, and Santiago de Chile; and to the United States. Flights between New York and Scandinavia go via Glasgow. A regular service between Los Angeles and Scandinavia was inaugurated in November 1954 via the polar route, with stops in Winnipeg and Sondre Stromsfjörd, Greenland. Service has been opened to Moscow.

Regular service between the United States and Sweden is also maintained by Pan American Airways. Several foreign companies also make regular flights to Sweden.

Except for service maintained by SAS there is little domestic aviation in Sweden. A few small operators engage in domestic charter service, using helicopters or aircraft of smaller types.

The principal civil airports are Bromma at Stockholm (headquarters of SAS), Bulltofta at Malmo, and Torslanda at Goteborg.

The Swedish, Danish, and Norwegian Governments together own 50 percent of SAS. The other 50 percent is in the hands of private nationals of the 3 countries.

COMMUNICATIONS

Sweden's telephone and telegraph services are public utilities administered by the Royal Board of Telegraph.

Telephones and Telegraph

On January 1, 1955 (the latest year for which official statistics on communications have been published), 7,163 telephone exchange stations, and 2,098,000 installations with telephone apparatus were in operation in Sweden, representing 290 units to each 1,000 inhabitants. Sweden is reputed to have more telephones per capita than any other country in the world. In 1955, there were 355 phone calls per inhabitant. Rates are equivalent to those in the United States.

On January 1, 1955, Sweden had 121 principal telegraph stations, 2,166 minor stations, and 1,432 stations operated by railways. In service also were 92 fixed radiotelegraph stations, and 1,480 ship and aircraft radiotelegraph stations.

Radio and Television

The Swedish Radio Broadcasting Corporation, AB Radiotjanst, is nominally a private company but most of the shares are owned by the Government. It is the outlet for all broadcasting in Sweden, operating 35 relay stations throughout the country. No commercial advertising is permitted on the Swedish radio, which supports itself by taxes levied on radio owners. The fee is presently 20 crowns per year. On January 1, 1953, the number of licenses for the operation of radio receivers totaled 2,391,000.

The Swedish Broadcasting Corporation also controls television in Sweden. Comparatively little progress has been made in television broadcasting; the only areas presently receiving a limited schedule of programs are Stockholm and Goteborg. About 17,000 television sets were estimated in operation in April 1957, most of them in the Stockholm area. The license fee for a television receiver is 75 crowns annually.

BANKING

Sweden has an old and highly developed banking system. The Central Bank of Sweden (Sveriges Riksbank) is controlled by the Riksdag. It has the sole right to issue banknotes, and its main function is that of regulating the external and internal value of the Swedish currency. It controls the internal money market by means of discount and interest rates, serving as a basis for the discount policy of private Swedish banks.

The Riksbank also acts as a convenient central source for Government and commercial bank short-term loans, and as a safe depository for Government and commercial bank funds.

The Riksbank, through the Foreign Exchange Control Office, also controls the foreign exchange, serving as licensor of all exchange transactions with other countries.

Of the 17 commercial banks in Sweden all but 1 are privately owned. Sveriges Kreditbank is a Government-owned commercial bank created as a result of reorganization of Jordbrukarbanken and the main part of Goteborg's Handelsbank, and was given its present name on January 1, 1951. Seventy percent of the commercial banking business is handled by the 4 largest banks—Svenska Handelsbanken (with 313 branch offices), Skandinaviska Banken (with 213 branch offices), Stockholm's Enskilda Bank, and Goteborg's Bank. Stockholm's Enskilda Bank, with only one Provincial branch, occupies an important position both nationally and internationally. The leading commercial banks have correspondents in the United States.

Private savings banks totaled 450 at the end of 1955; post offices acting as branch offices in postal savings and transfer deposit (postgiro) activities totaled 4,289 at the end of 1954.

In addition to the foregoing, Sweden has important mortgage banks for financing agriculture, home building, and shipbuilding.

On June 1, 1957, the loan rates of commercial banks varied between 4¼ and 7 percent. Discount rates for 3-months' bills varied from 4¼ to 7 percent; and those for long-term bills, from 5 to 7 percent. The deposit rates are: Checking accounts, from no interest to 1½ percent; short-notice accounts (usually 45 days), 2¼ percent; savings accounts, 3¾ to 4¼ percent; capital accounts, 2¾ percent (2 months' notice) and 3¾ to 4¼ percent (at least 4 months' notice); and capital accumulation and salary saving accounts, 4¼ percent.

The official discount rate of the Riksbank was raised to 5 percent on July 10, 1957.

INSURANCE [3]

The insurance industry is supervised by the Royal Insurance Inspection Board, an agency attached to the Ministry of Commerce. Of the 140 authorized insurers as of the end of 1951, 111 were Swedish companies and 29 were foreign, mainly British, Danish, and Swiss. In addition, 1,088 so-called Provincial insurers, authorized to operate only in designated Provinces or subdivisions of a Province, were writing fire, hailstorm, and livestock insurance, as well as marine insurance on fishing boats and other small vessels.

Total direct premium income of all insurers amounted to 1,763 million crowns in 1954, the latest year for which official statistics are available. The 1954 premium total was made up as follows, in million crowns: Life insurance 892; fire, 209; automobile third-party liability (compulsory by law), 170; automobile (collision), 102; marine (hull), 77; marine (cargo), 54; workmen's compensation, 70; miscellaneous branches, 189. About 20 Swedish insurers wrote almost 90 percent of the 1954 premium total. At the end of 1954, 5 million life insurance policies were in force, representing total insured capital values of 17,144 million crowns.

A comprehensive social insurance program is under the supervision of the Ministry of Social Affairs. The new Swedish sickness insurance system, effective since 1955, entitles all persons, including resident foreigners, to needed medical care and to cash benefits if sickness causes loss of earnings. Sickness insurance is also provided by private societies subsidized by the Government. Workmen's compensation insurance is compulsory and is provided by 9 employers' mutuals and by the Government-operated National Insurance Institute. Unemployment insurance is provided by voluntary societies run by labor unions under Government supervision and with Government aid.

[3] Prepared by the Insurance Staff, Office of Economic Affairs.

Old-age and invalidity insurance is compulsory and every citizen is entitled to a small retirement pension at age 67.

INTERNATIONAL FAIRS AND EXHIBITIONS

The foreign trade of the United States can be effectively promoted through participation by American businessmen in the international trade fairs and specialized exhibitions held in Sweden. The fairs bring manufacturers and buyers together; introduce to the public the products on display; stimulate sales; and create a market for goods. These events—particularly the international fairs—can be helpful in the marketing of United States products in the entire Scandinavian area.

Sweden is host country for three "international" fairs. St. Erik's fair is the most international in scope. Goteborg's fair—older and only recently made international—continues to emphasize domestic industry. The International Oresund Fair is principally a domestic event, but some foreign goods are usually on display. The three are discussed briefly in this section, which includes also a short list of specialized fairs.

All such fairs serve as a useful tool for a quick market survey. Moreover, besides providing means of advertising products and expediting sales, they give American exhibitors an excellent opportunity to select and appoint agents to handle their line of goods in that market.

These fairs facilitate contacts with reliable Scandinavian manufacturers who may be interested in supplementing their lines by manufacturing an American product, under a licensing arrangement, on a royalty basis. The advantage of this arrangement is in overcoming customs and exchange restrictions likely to hamper the marketing of goods made in the United States.

Specific questions on trade fairs and exhibitions are answered by the Bureau of Foreign Commerce in Washington and by any of the Department's Field Offices. In addition, many services of the United States Department of Commerce are at the disposal of businessmen wishing to visit Sweden's fairs. For example, to further the success of business trips, the Department gives American Foreign Service personnel in Sweden an advance notice of the itinerary of businessmen planning visits to that country and can give United States businessmen the names and addresses of Swedish chambers of commerce and trade organizations.

Interested businessmen may wish to communicate direct with agents or representatives of Swedish fairs; therefore, names, if available, and addresses are included below.

The Bureau of Foreign Commerce is constantly receiving information on international and national fairs and exhibitions from the United States Foreign Service and other sources, and from time to time publishes in the Department's magazine for international traders, *Foreign Commerce Weekly*, current lists of such events and other details.

St. Erik's International Fair

This annual fair (August and September) is the largest of the international trade fairs held in Scandinavia and the only Scandinavian fair that is a member of the Union des Foires Internationales.

Inquiries may be addressed to the Swedish Chamber of Commerce of the United States, 8 East 69th Street, New York 20, N. Y., or direct to Aktiebolaget, St. Eriks-Massan, Lindingovagen 10, Stockholm 26, Sweden.

The management issues a catalog giving, among other details, the layout of the fair grounds and exhibition halls; general information; lists of domestic and foreign exhibitors; and lists of the goods displayed.

Located at the fair are a commercial information bureau, a travel bureau, and a special customs office to expedite customs clearance of exhibits. Visitors may obtain information on licenses, barter trade, currency questions, and other problems from staff members of the General Export Association of Sweden, as well as from representatives of the State Trade and Industrial Commission, the Stockholm Chamber of Commerce, the Federation of Swedish Commercial Agents, and the Federation of Swedish Wholesale Merchants and Importers.

The United States Government generally maintains a central information office at this fair staffed by trade mission members and sponsors a United States national exhibit.

Goteborg International Fair

The Swedish Industries Fair International, Goteborg, is held annually (May). A national industries fair for 35 years, this fair became international in 1954. It is held under the auspices of the King, and is owned and operated by a board of directors drawn from more than 20 different organizations.

Inquiries may be addressed to the Swedish Chamber of Commerce of the United States, 8 East 69th Street, New York 20, N. Y., or direct to the Svenska Massan, Goteborg S., Sweden.

A catalog issued each year includes such details as a layout of the fair buildings, a list of the halls with the products usually shown

therein, and lists of exhibitors and of the goods displayed. An information office is maintained at the fair.

International Oresund Fair

This fair, generally held annually (June), was established in 1952 and is managed by the Oresund Fair Association, Langvinkelsgatan, Halsingborg, Sweden. It invites domestic and foreign exhibitors of all types of goods to participate to "stimulate international trade, industry, and craftsmanship."

The official forwarding agent of the fair is Nordisk Transport and Spedition AB, Kungsgatan 4, Halsingborg, with an office in the United States at 27–29 Water Street, New York 4, N. Y. Inquiries may be addressed also to the Swedish Chamber of Commerce in the United States, 8 East 69th Street, New York 20, N. Y.

Specialized Exhibitions

Among such events held in 1956 were the following:

Aquatic Exhibition, Stockholm.
Art and Education, Stockholm.
Austin Exhibition, Stockholm.
Automobile Exhibition, Stockholm.
Cars and Camping, Stockholm.
Heating and Sanitary Exhibition, Int., Stockholm.
Hunting and Fishing Exhibition, Stockholm.
Instruments Exhibition, Stockholm.
International Motor Salon, Goteborg.
Machine Tool Exhibition, Stockholm.
North Exhibition, Ostersund.
Orebro Exhibition, Orebro.
Oresunds Fair, Halsingborg.
Plastics Exhibition, Stockholm.
Scanian Fair, Malmo.
Swedish Fair, Goteborg.
Today's Household, Stockholm.

CHAPTER III

Exporting To, Importing From, Sweden

SWEDEN'S IMPORT CONTROLS

General import controls are maintained in Sweden for balance-of-payments reasons. During the past year or so these general controls have been progressively relaxed for a wide range of products imported from the dollar area; in addition, the list of goods originating in member countries of the Organization for European Economic Cooperation (OEEC) and their currency areas which may be imported without license has been revised and expanded.

The importation of certain commodities is centralized in state-owned or state-controlled organizations. Centralized controls over the importation of certain agricultural products are associated with Sweden's agricultural control program; under this program sugar, grain, fatty raw materials, meat and pork, and eggs and certain egg products are controlled by royal decrees which assign to monopoly companies or associations of importers the right to import these products.

The right to import sugar is held by the Swedish Sugar Factory (Svenska Socker-Fabriks A/B) while grain may be imported only by the Swedish Grain Company (Svenska Spanmals A/B). The right to import tobacco and tobacco products is held by the state tobacco monopoly—the Swedish Tobacco Monopoly Company (A/B Svenska Tobaksmonopolet). The importation of wines and spirits is in the hands of a special company formed for the purpose, the Wine and Spirit Monopoly (A/B Vin & Spiritcentralen). Companies carrying on retail trade, known as system companies, operating under the Swedish state liquor control system, may import wines and spirits with the permission of the Royal Control Board (Kungl. Kontrollstyrelsen).

Importations of animals, certain seeds, and plants are also under special control to prevent the spread of animal and plant diseases or parasites. Pharmaceuticals, drugs, poisons, and explosives may be imported only by approved parties, such as druggists, drug wholesalers, and drug manufacturers and licensed dealers in explosives. A private monopoly, authorized by the Government, also exists with respect to the importation of almanacs and calendars.

The current general control of imports in Sweden stems from a royal decree (No. 82) of March 14, 1947, adopted because of Sweden's balance-of-payments difficulties. Under this decree only those goods on a special "free list" could be imported without an import license. The goods included on this list are: Books, sheet music, newspapers and periodicals, maps, Braille materials, certain printing mats, and ice. Subsequent administrative action permitted other printed matter, samples and models, patents and drawings, and certain free advertising material to enter without an import license. Gift parcels [1] not exceeding a specified value (current maximum, $52.25) are also exempt from import license.

Import Licensing

Under the royal decree of March 14, 1947, certain agricultural products, fertilizers, and foods were placed under the licensing control of the State Agricultural Board while all other commodities were made subject to the license control of the State Trade and Industry Commission.

It was pointed out above and in earlier discussion that, as Sweden's foreign exchange position has improved, the treatment of commodities subject to general import license control has been liberalized—first, with respect to those originating in the OEEC countries and, later, to dollar-area goods.

The OEEC import free list.—As a participant in the trade liberalization program of the Organization for European Economic Cooperation, Sweden has liberalized over 90 percent of its imports from OEEC countries, sterling-area countries and territories, French franc-area countries and territories (excluding Indochina), the Dutch guilder area, the Portuguese escudo area, and Finland, Yugoslavia, and Indonesia.

All imports (except for the few on the general import free list, see appropriate section below) from countries outside the dollar area and from countries other than those covered by the OEEC import free list are subject to import license control.

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[1] The Bureau of Foreign Commerce has issued a pamphlet, *Sending Gift Packages to Sweden,* which may be purchased for 10 cents from the Sales and Distribution Branch, United States Department of Commerce, Washington 25, D. C., or from the Department's Field Offices.

The dollar import free list.—Effective October 1, 1954, the Swedish Government removed import license requirements for a large number of commodities originating in the dollar area. The commodities on this import free list include raw materials, semimanufactures, and finished goods.

While the list is too extensive to reproduce completely here and, moreover, has been supplemented since 1954, it includes a wide range of foodstuffs, such as dried and canned fruit, fruit juices, rice, canned vegetables and fish, dry cereals, and baking powder; hides and skins; rubber products; textile raw materials; cord fabrics; shoes and hats; stone, clay, and glass products; manufactures of iron and steel; a large number of iron and steel products; all machinery; apparatus and instruments; equipment for railways; streetcars; motorcycles and bicycles; raw materials for plastics; and many miscellaneous consumer goods, such as fountain pens, fishing tackle, and handbags.

Information as to whether or not particular commodities are on the Swedish dollar import free list can be obtained from any Field Office of the U. S. Department of Commerce or from the European Division, Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C.

In announcing the establishment of this dollar import free list the Swedish Government referred to discussions which had taken place in Western Europe on the problem of attaining a more general system of currency convertibility, and noted its belief that a gradual easing of import restrictions on dollar goods would facilitate a move to convertibility. By its action Sweden also joined with a number of other Western European countries in efforts to improve productivity and reduce costs and prices by increased competition.

Requirement for license-free entry of goods on dollar import free list.—In order for goods on the dollar import free list to come into Sweden without an import license they must meet the following stipulations: (1) The country of origin (i. e., the country of manufacture or production) must be a country considered as part of the dollar area; (2) the country of purchase (i. e., the country in which the commodity has been purchased or dispatched to Sweden, whether direct or via a third country, whether for the purpose of sale or for any other purpose) must be a country belonging to the dollar area, a country or area of the European Payments Union, or Finland, Indonesia, or Yugoslavia; and (3) in settling payment for the commodity, provisions governing the settlement of payments between Sweden and the relevant country of purchase shall apply. However, payment for a commodity purchased from a country belonging to the dollar area which is not the country of origin may be settled, alternatively, direct with the country of origin.

The transit dollar import list.—In addition to the dollar import free list, the Swedish Government established a so-called transit dollar list, also effective October 1, 1954. In establishing this list the Swedish Government announced that it was prepared to issue import licenses for goods on this transit dollar list provided the following conditions applied: (1) The commodities must originate in the dollar area; and (2) payment must be made by the Swedish importer, either in so-called transit dollars, obtainable from commercial banks at a small premium, or through triangular transactions with non-dollar-area countries. (Transit dollars are dollar exchange which Swedish commercial banks are authorized to obtain from abroad at a premium price.)

The transit dollar import list now includes relatively few commodities. Chief among them are the following: Fresh citrus fruit and grapes; coffee and coffee substitutes; copra; certain vegetable oils and fatty acids; sauces; fat emulsions; coloring material for butter and cheese prepared with oil; tobacco products; crude copper; lead; tin; zinc; and airplanes.

To obtain a license to import commodities on the transit dollar list, the Swedish importer must submit with the license application a certificate issued by a Swedish commercial bank to the effect that the required transit dollars will be made available and, in addition, an invoice or a confirmation of the order or other document issued by the foreign vendor as evidence that the commodity was purchased from a seller domiciled on the dollar area.

Residual list of goods subject to general import license.—Commodities still subject to import license from the dollar area which have not been included on the transit dollar list consist primarily of domestic animals; meat and pork; dairy products and eggs; grain and flour; oilcakes; foddermeal; sugar; nuts and oilseeds; malt and spirituous beverages; certain fish; coal and coke; petroleum; automobiles and parts for assembly; arms and ammunition.

Licenses to import agricultural products and fertilizers are issued by the State Agricultural Board, while licenses for all other commodities subject to control are granted by the State Trade and Industry Commission.

Import license application.—The Swedish importer makes application for an import license on a special application form which calls for information on the quantity, the value, country of origin, and the payee. All costs involved in the transaction, including commission, fees, and similar charges, must be shown in the application.

An import license is usually valid for 6 months, and a tolerance of 5 percent is generally allowed.

In order to obtain foreign exchange to pay for goods covered by the import licenses, and in order to clear the goods through customs, each license must be registered with the Foreign Exchange Control Office

of the Riksbank or a commercial bank authorized by the Foreign Exchange Control Office to handle foreign exchange transactions (see also section, "Exchange Control on Imports").

Although the granting of import licenses is based on a general import plan, the Swedish import control authorities publish no specific import quota information for individual commodities.

Block licenses.—Individual importers may obtain a so-called block license which permits a certain quantity of goods to be imported within a specified period without obtaining a separate license for each shipment. Such licenses are granted to importers who have operated a regular establishment as a manufacturer, handicrafter, wholesaler, or retailer within a particular branch of trade or industry during a specified base period.

Exchange Control on Imports

Foreign exchange is provided automatically for goods on the import free lists which meet the criteria established for their importation, and for goods for which import licenses have been issued.

Under law No. 350 of June 22, 1939, only the Riksbank (the Central Bank of Sweden) and banks authorized by the Riksbank (foreign exchange banks) may carry on transactions relating to foreign exchange. Foreign exchange control was introduced in Sweden by an order-in-council of February 25, 1940, in conformity with the foreign exchange law of June 22, 1939. Under the provisions of this order the Foreign Exchange Control Office (Valutakontoret) was established as the organ of the Riksbank to handle transactions subject to the exchange control regulations. The Foreign Exchange Control Office operates in close cooperation with other Swedish authorities, particularly the State Trade and Industry Commission, which regulates the import and export of merchandise.

Payment for goods imported from countries with which Sweden has clearing agreements is governed by the terms of the respective clearing agreements.

The importation of securities is subject to special regulations of the Riksbank and may take place only through the Riksbank or a foreign exchange bank.

UNITED STATES EXPORT CONTROLS

At present all exports from the United States or its possessions to Sweden are subject to the rules and regulations of the Bureau of Foreign Commerce, United States Department of Commerce, except for exports of arms, ammunition, and implements of war, which are licensed by the United States Department of State; gold and nar-

cotics, licensed by the United States Department of the Treasury [2]; and certain source material and facilities for the production of fissionable material, licensed by the Atomic Energy Commission.

Department of Commerce export licenses fall into two categories—general and validated licenses. A general license is a privilege which permits exporters to make certain shipments without applying for or receiving a validated license document. The commodities subject to validated license requirements, as well as all other regulations concerning export control, are shown in the *Comprehensive Export Schedule*, available for examination at any Department of Commerce Field Office. The *Comprehensive Export Schedule* and supplementary *Current Export Bulletin* may be purchased from a Field Office or from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., at an annual subscription rate, beginning each March 31, of $6 ($1.50 additional for foreign mailing). Airmail service on the supplementary bulletins is available, to domestic subscribers only, at an additional cost of $4 a year.

Further information concerning export control requirements for shipments to Sweden may be obtained direct from the Bureau of Foreign Commerce in Washington or from a Field Office. Also obtainable from these sources is a booklet, *Sending Gift Packages to Foreign Countries—Summary of United States Export Regulations*, giving complete information on the various regulations that affect the sending of gift packages abroad.

SWEDISH IMPORT DUTIES, OTHER LEVIES

The Swedish import tariff is single column, the same rates of duty applying to imports from all countries. Conventional tariff concessions are incorporated in the tariff and thus are generalized.

Both fiscal considerations and the protection of domestic production influence the amount of Swedish import duties. On the whole, the duties are comparatively moderate.

For circumstances under which duties may be refunded, see page 48.

Bases of Specific and Ad Valorem Duties

The Swedish import tariff provides for both specific and ad valorem duties, which are stated and payable in Swedish crowns.

[2] The Treasury Department's Division of Foreign Assets Control, Washington 25, D. C., should be consulted with respect to the transactions control regulations, which prohibit Americans from shipping strategic materials from any foreign country to a Soviet bloc country. The Division should also be consulted for information on the foreign assets control regulations, which prohibit all unlicensed transactions directly or indirectly involving mainland Chinese or North Korean financing or trade. These regulations, among other things, specifically prohibit the unlicensed purchase in any foreign country of all goods of mainland Chinese origin and all goods of types which in the past were chiefly imported into the United States from mainland China.

Weights as the bases of specific duties are indicated on tariff statements by letters. These letters and the weights to which they refer are as follows: N—actual net weight (weight of the goods without packing); B—gross weight (weight of goods plus packing); E—net weight plus certain packing (such as immediate wrappers, boxes, paper, cans, glass, and similar containers in which the goods are to be offered for retail sale); T—legal net weight (gross weight less tare); T/E— either net weight plus certain packing or legal net weight.

The dutiable value is the value of the goods at the point of entry. Foreign values are converted at the current (official) rate of exchange.

Duties on Agricultural Products

A new price-fixing system for agricultural products came into operation on September 1, 1956, setting up a flexible system of import duties. These duties, in principle, are to be correlated to the domestic prices of the products as they move within certain predetermined limits.

Treatment of Gift Packages

The Swedish customs regulations do not provide for duty-free entry of gift packages. Old and used articles for household and personal use, including wearing apparel, however, are dutiable at the reduced rate of 15 percent of the c. i. f. value when the recipient declares in writing on his honor that the articles are intended for his own use and not for commercial purposes. Otherwise, used articles are dutiable at the same rates as are new articles.

The only duty-free articles suitable for gifts are books, sheet music, periodicals, works of art, unframed paintings, drawings and other unframed pictures, and stamps intended for collections.

The approximate import duties on a few articles commonly sent as gifts are as follows, in crowns per kilogram, with rates in dollars per pound shown in parentheses (conversion of duties made at 1 crown equals $0.19, and 1 kilogram equals 2.2 pounds): Confectionery, 1.50 ($0.13); nylon stockings, 17 ($1.47); sterling silverware, 35 ($3.02); coffee, green, 0.45 ($0.04); coffee, roasted, 0.60 ($0.05).

A commodity tax is assessed on confectionery at 65 percent of the duty-paid value and is payable simultaneously with the duty.

A sales tax is levied on articles of silver at 20 percent of the duty-paid value, payable simultaneously with the duty.

The special coffee tax on green coffee is 0.35 crown per kilogram ($0.03 per pound); on roasted coffee, 0.45 crown per kilogram ($0.04 per pound).

Import duties cannot be prepaid by the sender. However, certain international freight forwarders will undertake the delivery of dutiable packages abroad and bill the sender with the cost plus a service fee. Or a money order may be sent the recipient for the approximate amount of duties and delivery costs.

Customs Surtaxes, Internal Taxes

No customs surtaxes are imposed.

Sweden levies the following internal taxes on both domestic and imported products.

Coffee tax.

Commodity tax on chocolate substitute, sweetened; candy; confectionery; ice cream; sweetened powders or tablets for use in the preparation of soft drinks; essences and extracts for use in the preparation of alcoholic beverages; toilet articles; cosmetics; perfume; shampoo; and chemical compressors and accessories for use in permanent waving.

Excise tax on malt beverages and soft drinks.

Fur tax on prepared and loose fur skins.

Sales tax on certain rugs, articles of gold, silver, or platinum; precious stones, also synthetic; bijouterie wares of real pearls, real corals, and precious stones; phonograph mechanisms in radiophonographs, phonographs, phonograph mechanisms, and phonograph records.

Stamp tax on playing cards.

Special tax on gasoline and motor spirits.

Special tax on passenger automobiles.

Turnover and dispensing tax on spirituous beverages and wine.

SHIPPING DOCUMENTS

The documents required from the exporter on ocean or air freight shipments or air express include a commercial invoice (with other supporting documents in the case of goods liable to ad valorem duty), a bill of lading, or air waybill, and such special certificates as may be necessary. He must submit also a United States shipper's export declaration and a destination control statement. The party for whose account the goods are imported must present an import declaration. Consular invoices and regular certificates of origin are not required.

For the documents required on shipments by mails, see the section, "Mail Shipments."

Commercial Invoice

Only one copy of the ordinary commercial invoice is required for the shipment to Sweden of goods subject to a specific duty, but the invoice must be submitted in duplicate for the clearance of goods

which, according to the Swedish customs tariff, are dutiable at ad valorem rates and on which surtaxes are imposed.

Swedish customs regulations specify that the invoice must include a description of the goods and their value; must state the number of cases, parcels, or containers; and must give the number or mark affixed to the cases, parcels, or containers. Invoices covering machinery, apparatus, tools, or parts thereof must specify net and gross weights.

If the entire shipment consists of one type of merchandise, the total net and gross weights should be indicated. If the shipment covered by the invoice is made up of different types of merchandise, the net and gross weights of each must be indicated. The data may be given on a separate sheet attached to the invoice.

The commercial invoice must specify the name and address of the consignee and must be certified and signed by the manufacturer, seller, or authorized agent. In the case of a company, the customs authorities require, in addition to the signature, that an official rubber stamp or seal of the company be affixed to prove that the invoice is correct. If the name of the company is typed or if the stamp or signature is missing, the customs authorities may refuse to accept the invoice.

If the customs authorities have reason to suspect that goods subject to ad valorem duty have been invoiced below market price, or if no invoice is produced, they may have an investigation made by experts and may charge duty on the basis of the experts' valuation of the goods.

When duty is calculated at an ad valorem rate these additional documents must be presented: (1) A certificate of value, signed by the consignee, and (2) a verification of freight, insurance, and other costs.

Goods liable to an ad valorem duty shipped on consignment should be accompanied by an invoice as though they had been sold.

All shipping documents may be made out in the English language. The use of the metric system of weights and measures, though preferable, is not compulsory.

Bill of Lading

The usual ocean bill of lading (or air waybill on air shipments) suffices for shipments to Sweden. The bill of lading must be compiled in accordance with the invoice.

To order bills of lading are accepted.

Sanitary and Other Special Documents

Sanitary certificates of origin are required for goods which may be suspected of bringing contagious animal or vegetable diseases into

the country or for goods for which special stipulations as to quality are prescribed. Goods subject to these sanitary certificates of origin regulations include:

Live animals
Certain animal products
Used dairy hollowware
Used sacks
Feedstuffs
Potatoes
Live plants
Seed
Margarine, cheese, and fatty emulsions
Oleomargarine
Syrup and molasses
Preparations containing spirits
Concentrated alcohol
Shaving brushes

For shaving brushes other than with bristles of rubber, nylon, or other synthetic fibers, the certificate of origin must state that neither the brushes nor their bristles originated in Japan or were shipped from Japan.

These certificates must be legalized by a Swedish consul or an official authority in the country of production or export.

United States Shipper's Export Declaration

A shipper's export declaration (Commerce form 7525–V)[3] must be filed with the collector of customs at the port of exit for export shipments by freight or express shipped under a bill of lading or requiring a validated export license.

The declaration must be filed with the postmaster for all shipments by regular mail or parcel post of articles for which a validated export license is required,[4] and for export shipments by mail or parcel post valued at $25 or more when shipped from one business concern to another. Mail or parcel-post shipments of catalogs, instruction books, and other advertising matter, as well as magazines, newspapers, or periodicals even when valued over $25, do not require the declaration. Also, the declaration is not required for mail or parcel-post shipments of technical data, regardless of value and whether or not such data are covered by validated export licenses, except when shipments against a validated export license are made in partial lots.

Three copies (original and two carbons) of the declaration should be filed for shipments, other than by mail, of merchandise to Sweden. Only one copy is required for shipments by mail. If an export license so specifies, or when clearing shipment under a project license, the shipper must file a fourth copy.

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[3] Commerce form 7525–V–Alternate may be used, if preferred, by shippers in a position to do so (see Bureau of the Census circular letter FT 208, dated September 27, 1954).

[4] It is the responsibility of the mailer to know whether his mail shipment requires a validated export license. If it requires a validated license, the mailer must mark the license number on the package and file the license, together with the shipper's export declaration, with the postmaster.

For shipments subject to export controls, the export license number or numbers, or the applicable general license or project license symbol, must be noted on the declaration.

The original copy must be notarized for shipments to Sweden by vessel. If the declaration is prepared by an agent of the shipper, the agent's authority to sign must be evidenced by a properly executed power of attorney or by proper use of the power-of-attorney statement printed on the declaration.

The forms may be purchased in blocks of 100 from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., collectors of customs, and Department of Commerce Field Offices. They may be privately printed provided they conform strictly to the original form in size, color, and quality (weight) of paper stock, wording, and arrangement, including the instructions on the reverse side and the Budget Bureau approval number.

Additional information regarding the declaration may be obtained from the Foreign Trade Division, Bureau of the Census, United States Department of Commerce, Washington 25, D. C.

Destination Control Statement

The requirement for a destination control statement is a part of the United States export control regulations, and applies to virtually all shipments made of United States-origin commodities from the United States under general or validated licenses. Any exportation (except for in transit shipments not requiring a validated license) that requires a shipper's export declaration requires also a destination control statement.

Under the destination control statement procedure, United States exporters and forwarding agents are legally obligated not to prepare or file a shipper's export declaration with the collector of customs, or prepare, procure, or issue a bill of lading, air waybill, or commercial invoice, without making sure that the original and all copies of the declaration, bill of lading (or air waybill), and commercial invoice carry whichever of the following three antidiversion notices is appropriate to the type of shipment being made.

For general license shipments only, the following statement is used:

United States law prohibits distribution of these commodities to the Soviet bloc, communist China, North Korea, Macao, Hong Kong, or communist-controlled areas of Viet-Nam and Laos, unless otherwise authorized by the United States.

For both validated and general license shipments, one or the other of the following is used as appropriate:

These commodities licensed by the United States for ultimate destination (name of country). Diversion contrary to United States law prohibited.

These commodities licensed by the United States for ultimate destination in (name of country) and for distribution or resale in (name of country or countries). Diversion contrary to United States law prohibited.

Carriers must place the destination control statement on the original and all copies of the bill of lading or the air waybill, or see that it is placed thereon, whenever the corresponding authenticated shipper's export declaration carries the statement. The exporter will be responsible for assuring that this statement is carried on all copies of the shipper's export declaration and the commercial invoice.

Further information about these and other United States export control regulations may be obtained from the Bureau of Foreign Commerce, Washington 25, D. C., or from any Department of Commerce Field Office.

Import Declaration

In connection with goods brought into Sweden and for which payment has been made or is to be made, a royal decree of February 20, 1942, requires that an import declaration be presented at the time of customs clearance by the party for whose account the goods are imported. An import declaration must give the following information:

1. Character of the goods, and the quantity.
2. Name of the seller or the party for whom the goods are to be sold.
3. Name of the party responsible for payment.
4. Purchase amount and payment conditions, or, for goods imported for sale, the value of the goods, calculated on the basis of the customs regulations governing customs value (paragraph 4 of the Customs Regulations).
5. Extent to which the payment conditions have been fulfilled.

MAIL SHIPMENTS

Parcel Post

Parcel-post packages weighing up to a maximum of 44 pounds may be sent to Sweden by surface or air. Special-handling service is available, but no special-delivery service is provided. Parcels may be insured but not registered. Insured packages must, and ordinary packages may, be sealed. Group shipments are not accepted, but combination packages may be sent.

A customs declaration tag (form 2966) must be affixed to each parcel-post package. A parcel-post sticker (form 2922) must be affixed to each commercial parcel-post package, but may be omitted from gift parcels.

The postal forms required for surface parcels must be prepared for air parcels and, in addition, the blue Par Avion/By Air Mail label (form 2978) must be affixed to each air parcel.

Regular Mail

Special-delivery service is provided for articles sent in the regular mail.

Letter mail.—Dutiable articles in letters or packages prepaid at the letter rate of postage may be sent to Sweden up to a weight limit of 4 pounds 6 ounces, provided there is affixed to the address side of each such letter or package a green label, form 2976 (C1), showing that the article is to be submitted to the customs authorities in Sweden for examination. The paper form of customs declaration (form 2976–A) properly completed by the sender, or an invoice, must also be enclosed in the letter or package.

Sample post.—A sample of no commercial value and not dutiable—if the package is marked to indicate this and is left unsealed—may be sent by sample post to a limit of 18 ounces. Samples sent in this way not only have the advantage of a lower rate of postage but also generally are exempt from customs formalities upon arrival in Sweden.

Printed matter.—Printed matter, including books, catalogs, etc., up to a weight of 6 pounds 9 ounces in general, and 11 pounds for volumes of printed books sent singly, may be sent to Sweden as printed matter, provided they are sent unsealed.

Eight-ounce merchandise packages.—Eight-ounce merchandise packages are not accepted.

Small packets.—The small-packet service is a distinct service with its own postage rates and weight limits and may contain dutiable articles. It is particularly convenient for delivering packages of samples too large to fall within the sample-post weight limit and for delivering dutiable samples.

Small packets are accepted for delivery in Sweden. They may weigh up to 2 pounds 3 ounces and must be clearly marked "Small Packet," and be sent unsealed. Whether or not they are subject to customs inspection, small packets must bear the special green label, form 2976 (C1), provided for packages prepaid at the letter rate containing dutiable articles, and must have enclosed the paper form of customs declaration (form 2976–A).

SAMPLES AND ADVERTISING MATTER

See also the section, "Mail Shipments" (sample post and small packets).

Samples

When sent.—Samples of no commercial value or such samples as are made valueless when passing through the customs are exempt from import duty. If samples are considered to have commercial value they are normally subject to the same import duty as are commercial shipments of the same commodities.

Duty exemption may be granted upon special request, for a specified time, for articles entered for the purpose of being exhibited as samples and which thereafter are reexported (and thus cannot be considered to have been entered for commercial purposes).

Refund of duty paid on samples may be allowed, provided that the samples are reexported by the importer within 6 months of entry, if duty exemption for a specified time evidently would have been applicable in accordance with customs statutes.

When carried.—Duty paid on samples can be recovered if notice of their intended exportation has been given to the customs authorities at the time of entering the country. The samples are then sealed by the customs before delivery and reexamined on exportation; if any are found to be missing, duty is payable. Samples need not be exported from the port at which they arrive. The period allowed for exportation in order to obtain repayment of duty is 3 months, but on application the time may be extended 3 months.

Advertising Matter

Advertising matter, including maps, pictures, and posters, intended to advertise travel abroad or to spread knowledge in general about the advertised country, enters duty free provided that the articles are distributed in Sweden without compensation, and are imported from countries extending the same privilege to Sweden. Other advertising matter is dutiable.

LABELING, MARKING, PACKING

Labeling and Marking Goods

In general, goods imported into Sweden that are marked so as to give the impression they are Swedish products must be marked with

the word "Import" or with a specific designation of the country of origin, such as "Made in U. S. A."

Imports of various finished articles, including shoes, must be marked in a specified manner with an indication of origin. Information regarding the requirements for particular commodities may be obtained upon request to the European Division, Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C.

Special marking requirements apply to shipments of certain foodstuffs, pharmaceuticals, poisons, seeds, and other articles (for foodstuffs and pharmaceuticals, see appendixes C and D, respectively).

If not already marked before arrival, goods must be properly marked, under customs supervision, within 30 days after arrival. Goods not properly marked may be reexported by the owner, under customs supervision, within the 30-day period. If neither properly marked nor reexported, the goods become the property of the state.

Most imported articles of precious metals must be sent to the Swedish assay office for hallmarking before clearance through the customs.

Packing

Many articles are dutiable on gross weight less a fixed tare allowance. In such cases, packing should be as light as is consistent with strength.

Marking Packages

There are no special regulations for marking outside cases or packages for shipment to Sweden, except that packages upon arrival must show marking to correspond with the bill of lading and the invoice, and gross weight must be marked on single packages exceeding 1 metric ton in weight.

On external containers of goods shipped abroad, American exporters are urged to mark

United States of America

Senate Concurrent Resolution No. 40, adopted July 30, 1953, suggests that such marking will help to publicize American-made goods overseas.

Upon arrival goods may be declared for direct clearance (for consumption), for storage, for direct transit, or for reexportation. No special period is provided for the submission of declarations.

The declarations required for direct clearance for consumption or for entry into a customs storage warehouse (tullnederlag) must list for statistical purposes, the country of purchase and the c. i. f. value of each classification of the goods under the Swedish statistical tariff. Goods are appraised before being placed in customs storage.

Goods may be cleared before the arrival of documents, upon compliance with legal requirements. Goods must in general be withdrawn from wharf or customhouse within 30 days of arrival, a grace period of 3 days being allowed for actual discharge of goods. In the case of goods declared within 30 days for reexportation, a period of 90 days in all is allowed for removal where no special provisions apply. If goods are not removed from customs premises 15 days before the expiration of the period allowed, a storage fee is imposed. After the expiration of the period allowed, if goods have not been removed they will be auctioned.

Goods may be examined prior to clearance.

Both dutiable and duty-free goods, in bulk or packages, may in general be shipped in transit, but for duty-free goods the customs authorities may temporarily restrict this facility as concerns certain customhouses. Transit goods must remain as imported, and samples may not be taken. Under special conditions, examination, unpacking, repacking, etc., can be authorized by the customs authorities.

Warehousing and transit trade regulations are strict, except in free ports. Warehouses for public use are of two kinds—customs storage and transit storage.

Dutiable goods, packed or in bulk, may, after customs appraisal, be placed in customs storage (tullnederlag) for 1 year under seal of customs and owner. Sorting, repacking, etc., are permitted only at time of appraisal upon entry. Packages for retail sale cannot be altered. After deposit no manipulation changing the number of packages, their packing, or character is allowed, but limited sorting, etc., may be permitted to prevent deterioration. The examination of goods and taking of samples are permitted.

For transit storage (transitupplag), packed goods which appear to be dutiable are accepted without customs examination or appraisal for storage up to 5 years under customs seal. Special permission must be obtained to examine goods, take samples, or strengthen packing.

Partial withdrawals from storage are permitted but only in complete packages.

Storage fees are charged from the day of declaration in either of the above kinds of warehouses.

Goods are liable for sale at auction if they have not been withdrawn from the warehouse at the end of the authorized period.

In addition to the above-described warehouses, provisions-free warehouses (proviantering sfrilager) are available for the storage of cleared dutiable foodstuffs, coal, and supplies intended for ships, for which guaranty has been deposited for the payment of duty.

FREE PORTS

The free ports at Stockholm, Goteborg, and Malmo are municipal enterprises operated under the supervision of the Royal Board of Customs, which has authority over all goods and traffic passing through the ports in order to insure that Swedish laws and regulations are observed.

Goods may be landed, stored, repacked, sold, exported, or returned to the country of origin without payment of customs duties or other import charges or cleared through customs for domestic consumption.

ABANDONED, REEXPORTED GOODS

Goods for which any of the prescribed periods for clearance through customs or removal from warehouses has expired without requisite action being taken by the owner, or on which duties, etc., have not been paid when due, will be considered abandoned and, after notice to the owner, will be sold at auction or destroyed. Duty exemption may be granted on goods under direct customs supervision or in customs warehouses, which are abandoned to the customs, as well as on deteriorated goods which the owner has had destroyed under customs supervision.

The auction of goods declared for direct transit can be avoided under certain circumstances by depositing the goods in a transit warehouse. At any time before auction the owner can reclaim goods by paying duties and charges.

Goods which have been declared for direct entry or for clearance from transit warehouse may be reexported under customs supervision after appraisal without payment of duty.

CUSTOMS PROCEDURE

Full details regarding current restrictions on particular classes of goods may be obtained, upon specific request, from the European Division, Bureau of Foreign Commerce, United States Department of Commerce, Washington 25, D. C., or from any of the Department's Field Offices. See appendixes C and D for regulations dealing with foodstuffs and pharmaceuticals, respectively.

Advance Rulings on Customs Classification

Advance rulings concerning a customs classification must, to be binding, be applied for on a prescribed form by the importer, and samples of the goods must be submitted where possible. Advisory rulings, which are not binding, can be obtained by the U. S. Embassy in Stockholm and the American Consulate General in Goteborg.

Customs Fines and Penalties

False declarations of goods, if intentional, are fined from 2 to 4 times the regular duty, but if there was no apparent intention to defraud, the fines range from 10 to 20 crowns.[5]

Fines of from 10 to 50 crowns are imposed for failure to make the required statistical declaration within the prescribed period, and fines of from 20 to 200 crowns are imposed for intentional or unintentional false statements concerning statistical (c. i. f.) value.

There are antidumping regulations in Sweden.

Appeals and Claims

Claims for the refund of duties, etc., paid in excess through erroneous application of the tariff, must be made to the customs administration within 60 days after appraisal of goods. Those for refunds on grounds other than the above can be made to that administration within 2 years after the occurrence on which they are based. Claims not involving the amount of duties must be made within 30 days after receipt of notice of the fact on which the claim is based.

In places where the local customs authorities have received authority to make refunds of amounts of duty, etc., paid in excess, claims involving such refunds can be made in writing to the local authorities. In other cases, not involving recourse to the courts, claims are to be sent to the general customs administration. In decisions rendered by the customs administration on claims involving the amount of duty, the procedure to be followed in the event of an appeal will be indicated. Special regulations cover other appeals. In general, a petition to the Crown must be presented to the competent Government department within 30 days after receipt of notice of the decision.

Refund of Duty

Under special regulations, goods may be imported for subsequent reexportation with refund of duty, suitable declaration being made

[5] 1 crown equals about US$0.198.

at the time of importation. Goods originally imported for consumption may be reexported, with refund of duty, where it is proved that they are not in conformity with the contract of purchase, where they are found to be unsalable in Sweden because of conflict with the poison law, and under some other exceptional circumstances.

SWEDEN'S EXPORT CONTROLS

Royal decree No. 324 of June 9, 1950, placed the exportation of commodities from Sweden under general export license control. Exempt from this general control are a small list of goods manufactured or produced in Sweden of much the same type as those exempt from the general import license control, namely: Printed books, sheet music, newspapers, periodicals, pictures, maps and globes, and certain other printed matter. This decree of June 9, 1950, superseded an earlier decree of March 1941 governing exports.

The general export license regulations were originally established for short-supply reasons. In the postwar period the license control has been maintained both for short-supply and exchange-control purposes.

Similar to the general import license control procedure, export licenses are granted by the State Food Commission for agricultural and certain miscellaneous products and by the State Trade and Industry Commission for other products.

In addition to the general export license control, separate export regulations established by individual decrees govern the exportation of certain cultural objects; war materiel; certain works of stone; narcotics; securities; unworked gold and gold currency; certain pictures and reproductions thereof; beryllium, thorium, uranium, and compounds thereof; certain maps; some live animals and agricultural products; and certain kinds of fish and shellfish.

Export Licensing

An application for an export license must be submitted by the exporter to the proper licensing authority on a special application form setting forth the complete information required by the form.

Additional export free list.—In addition to the special list of goods exempt from general export control, the Swedish Government issued an extensive conditional export free list as a part of the 1950 decree. This list was revised and expanded by decree No. 178 of September 30, 1953. Under the provisions of this decree, a wide range of goods produced or manufactured in Sweden may be exported without a license to OEEC countries and their currency territories, and

to the United States and other Western Hemisphere countries with the exception of Argentina.

In order to export commodities on the conditional export free list the following conditions must be met:

1. The exporter must be listed in the Swedish business firm, association, or corporation register.

2. The export commodity must have been produced or manufactured in Sweden.

3. The export commodity must be sold on such conditions that full payment is made in accordance with the payments agreement in force between Sweden and the country of consumption, or, if no payments agreement is in force, in accordance with regulations issued by the Foreign Exchange Control Office to the foreign exchange banks regarding payments between Sweden and the country in question or in United States dollars, free Swiss francs, or Swedish crowns from the general United States account at the Swedish foreign exchange bank.

4. The export commodities must be sold under such conditions that full payment is made within 6 months, calculated from the day the goods are reported to the customs for export or delivered to the post office by direct shipment abroad.

Exemption from the export license requirement granted under the above conditions does not apply to goods sent abroad on consignment, for demonstration, or for testing.

In every case of export the exporter must submit to the customs or the post office (when goods are sent by mail and there is no local customhouse) an export statement which has been registered with the State Trade and Industry Commission certifying that the conditions governing license-free exports have been complied with. The exporter's registered commitment must be submitted in at least two copies on a specially prepared form.

General export license.—A general export license allows the transit of goods via Sweden between two foreign countries on the condition that payment for the goods is not to be made by any enterprise in Sweden and that the holder of the general license handling the transit shipment has established this fact by presentation of a copy of the invoice or other documentary evidence.

Exchange Control Over Exports

In general all foreign exchange acquired from exports must be offered to the Riksbank or a foreign exchange bank.

UNITED STATES IMPORT CONTROLS

Information on United States import duties is obtainable from the Bureau of Customs, United States Department of the Treasury,[6] Washington 25, D. C., or from local collectors of customs.

Absolute import quota restrictions on commercial products are limited, for the most part, to certain farm products for which officially supported prices in the United States are provided by law. Information on import quotas on controlled dairy products, and on permits for imports of oats, rye, barley, and wheat for planting purposes, may be obtained from the Import Division, Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C. Information regarding import quotas on sugar is furnished by the Sugar Division, Commodity Stabilization Service, United States Department of Agriculture. Information on other commodities subject to import quotas is available from the Bureau of Customs, United States Department of the Treasury.

For imports of arms, ammunition, and implements of war, an import license must be obtained from the Office of Munitions Control, United States Department of State, Washington 25, D. C.

[6] See footnote 2, p. 36, regarding jurisdiction of the Treasury Department's Division of Foreign Assets Control.

CHAPTER IV

Investing in Sweden

Swedish industry is primarily under private ownership. However, the Government plays a strong regulatory and planning role in the economy. Its postwar economic and social program falls into three main categories: (1) Full employment; (2) more equal distribution of wealth; and (3) greater productive efficiency and more democracy in economic life. Strict control is maintained over credit, prices, investments, and foreign exchange.

The present coalition Government of Sweden (Social Democrats and Agrarians) has announced that its policy is to carry out its economic program through cooperation with private industry to the greatest extent possible.

The domestic money market is the main source of funds for industrial expansion and national resource development.

GOVERNMENT POLICY ON FOREIGN INVESTMENT

The Swedish Government has taken few positive steps to encourage private foreign investment. On the other hand, there is no announced policy limiting private foreign investment by type, area, or quantity except that, in matters relating to the acquisition and operation of certain property, particularly mineral products, and in such services as shipping, the laws contain specific limitations. For example, the Free Enterprise Law of June 18, 1864—the basic act authorizing the regulation of business activity—in articles 26 through 31 and the law of June 22, 1939, specifically limit foreign participation in Swedish shipping.

In general, the laws governing private foreign investment permit the Government to exercise rather wide discretion in applying their provisions—the rights of foreigners to carry on most business operations are not specifically defined in the Free Enterprise Act of June 18, 1864.

The Swedish Government particularly has not encouraged foreign investment in the country's natural resources. At the present time foreign ownership of Swedish mineral and timber resources is limited. Shortly after the end of World War II the Swedish Government formed a state-owned corporation to take over certain iron ore deposits held by foreign interests (chiefly German and Czech). There is no foreign participation in the development of hydroelectric power.

The information supplied in this handbook is not intended to serve in lieu of legal counsel. Such advice may be obtained from attorneys in the United States who specialize in foreign law.

It is suggested also that any individual or firm contemplating the establishment of a business under Swedish law should consider the need to employ a Swedish lawyer. A list of attorneys practicing in Sweden may be purchased for $2 from the Bureau of Foreign Commerce, United States Department of Commerce, Washington 25, D. C., or from the Department's Field Offices.

A new law, effective January 1, 1956, modifying the Free Enterprise Act of June 18, 1864, enables the King-in-Council to authorize corporations or associations registered abroad to engage in commerce, manufacturing, handicraft, or other trade and to operate under their own name in Sweden. Under previous provisions, foreign corporations engaging in business in Sweden established their subsidiaries as Swedish corporate entities or appointed Swedish firms as their trade representatives.

American investments in Sweden are largely in firms engaged in assembly operations (automotive), manufacturing (such as rubber products, agricultural machinery), and distribution (petroleum products, motion picture films). Almost all of these investment were made before World War II. Since the war American and many other foreign firms have preferred patent licensing to operating a factory in Sweden.

No treaty of commerce, friendship, and navigation is in effect between the United States and Sweden. The provisions of the General Agreement on Tariffs and Trade have governed United States commercial relations with Sweden since 1950, when the 1935 Reciprocal Trade Agreement between the United States and Sweden was terminated.

CONTROL OF FOREIGN INVESTMENT

To some extent Sweden's control of foreign private investment is coupled with its traditional policy of neutrality. This is evident from the law of 1916, governing the right of foreign interests to acquire real

estate, mines, and stocks in certain corporations, which stemmed from Sweden's neutrality policy during World War I.

The Government is in a position to maintain effective control over investment in Sweden by foreigners. It can do this through its authority to license individuals and firms to do business or incorporate domestic subsidiaries, and through official financial controls over dividend distribution and the transfer of foreign exchange. Foreign firms operating in Sweden through incorporated Swedish subsidiaries are treated the same as are similar concerns owned by Swedish nationals.

Under Swedish law a foreign individual or corporation must obtain a special license or permit to engage in commerce, manufacturing, handicraft or other trade; to purchase real estate, mineral deposits, or stocks in certain types of corporations; or to work mineral deposits. (The law of May 1916 permits the King-in-Council to grant foreign corporations the right to engage in mining.) The application for such a special permit must be addressed to the King-in-Council and filed with the Governor General's office in Stockholm and with the Provincial councils in other places. The application must be accompanied by a certificate showing that the applicant is legally competent and by a guaranty or other security for the payment of taxes and other public duties for a period of 3 years.

A permit, if granted, applies to a specific project and is not a general authorization to purchase property or operate a business, industry, or mine. In no case may a foreigner stake a claim to a mineral deposit. This regulation also applies to Swedish partnerships which have foreign partners or to Swedish corporations whose stocks may be owned by foreigners without certain specific limiting conditions.

Entry and Repatriation of Capital

Applications to invest in business and industrial operations are carefully studied by the appropriate Swedish authorities, each application being considered on its own merits. A factor given great weight with respect to the licensing of American investments in manufacturing operations has been the ability of the operation to provide Sweden with dollar exchange.

It was pointed out in the preceding section that strict control is maintained over foreign exchange transactions. The remittance of profits and dividends and the repatriation of capital are subject to Swedish exchange control regulations. The transfer of earnings from royalty arrangements approved by the Swedish Foreign Exchange Control Office may be accomplished readily, however. Authorization to transfer earnings is usually based on a percentage of the total sum invested. This percentage recently has been ranging around eight.

There is no Swedish legislation which guarantees an American in-

vestor repatriation of his capital and profits in United States dollars. Authority over the transfer of capital and profits is vested in the Swedish Foreign Exchange Control Office, whose policies have varied from time to time, depending on Sweden's foreign exchange position. Repatriation of invested capital requires the specific authorization of the Foreign Exchange Control Office.

Patent Licensing

Patent licensing has become a rather general practice in the postwar period; and American and other foreign firms have licensed the manufacture of a wide variety of products in Sweden. It is essential that each licensing arrangement be approved by the Swedish Foreign Exchange Control Office in order that the Swedish licensee may remit royalty payments. Americans entering into licensing arrangements in Sweden should make certain that this requirement has been properly carried out.

Approval of patent licensing arrangements by the Swedish authorities is determined on the merits of each individual case. The dollar-saving and the dollar-earning prospects offered by the particular arrangement are given particular attention by the Swedish licensing authorities.

Protection of Industrial Property Rights

Patents are dealt with in Sweden under the basic Patent Law of May 16, 1884, and subsequent amendments to this law. Patents are granted for a period of 17 years from the day when the petition is filed with the Swedish Patent and Registration Office.

Because of the complicated nature of Swedish patent laws and Swedish trademark and copyright regulations, it is advisable that parties interested in applying for protection of their industrial property rights in Sweden obtain details from the Trade Development Division, Office of Trade Promotion, Bureau of Foreign Commerce, United States Department of Commerce, Washington 25, D. C., or through any Field Office of the Department of Commerce.

NATIONALIZATION OF INDUSTRY

Nationalized industries have existed in Sweden for a long time. In a number of instances the Government has established state-owned and -operated corporations to meet local employment or economic problems or where a monopoly dominates an entire field of activity. Many of the existing utilities and services have been built by public

funds, and as a result the state owns and controls the main railway lines, airfields, and the postal, telegraph, and telephone services.

The National Bank is owned by the Swedish Parliament, while certain other banks are owned by the Swedish state. The importation and manufacture of tobacco and the importation and distribution of alcoholic beverages are both in the hands of state monopolies. All radio facilities are Government owned, but broadcasting is not a Government enterprise. The National Government owns about 20 percent of the country's forests, and is the owner of the principal iron ore deposits; it also owns a steel mill, pulp, paper, and sawmills, hydroelectric power stations, and a shale-oil refinery.

The Government's official policy with respect to nationalization has been one of moderation; proposals to nationalize property are given careful study by an appointed committee of experts representing various sectors of Swedish economic and political life before any action is taken. Moreover, the Government has a record of fairness in compensating private owners for property expropriated and business nationalized.

The Government has no specific program of further nationalization of industry—in fact the current trend of legislation is not towards nationalization except in respect to monopolies.

OTHER FACTORS THAT AFFECT INVESTMENT

Sweden is a member of both the General Agreement on Tariffs and Trade (GATT) and the Organization for European Economic Cooperation (OEEC), and as such participates in and receives the benefits of the programs sponsored by these organizations with respect to liberalized tariff and trade control treatment. Sweden also has most-favored-nation treaties with a large number of countries whereby she grants and receives most-favored-nation treatment with regard to tariffs, trade, and shipping. The swedish tariff schedule is single column and thereby generalizes tariff benefits to products of all countries. Swedish tariff legislation contains antidumping provisions, however; and antidumping duties have been applied to certain specified products when particular circumstances warranted.

The Swedish Government on October 1, 1954, liberalized import trade with the dollar area and removed import license requirements for a large number of dollar commodities which up to that time had been subject to tight licensing and foreign exchange controls. Sweden's dollar import free list, covering about 70 percent of total Swedish imports, based on 1953 figures, includes raw materials, semimanufactures, and finished goods.

Under the operation of the OEEC trade liberalization program, Swedish products receive benefits which vary from country to country,

depending on the extent to which the other OEEC members have liberalized their import trade. Sweden itself has liberalized over 90 percent of its private imports from other OEEC countries. To facilitate trade in goods not on the OEEC import free list Sweden often enters into bilateral trade agreements with the other OEEC countries and with non-OEEC countries.

Sweden is a participant in the European Payments Union and, in its relations with EPW, has generally held a creditor position.

Sweden does not grant general tariff and trade concessions to new industries. Some foreign firms operating branches in Sweden have taken advantage of the facilities offered by the Swedish free ports and have established their operations within the area of one of the free ports (chiefly at Stockholm). Under this arrangement, goods taken into the free port remain duty free until they enter the Swedish customs boundary. Use of free ports has enabled some firms to serve not only the Swedish market, but also other Scandinavian and Baltic markets.

Sweden, a well-developed industrial country, has enjoyed full employment almost continuously during the postwar years. As a result, various Swedish industries, particularly iron and steel, at times have experienced a shortage of skilled labor.

CHAPTER V

Selecting the Form of Business Organization

A business may be established in Sweden as a branch of a foreign enterprise or as a Swedish entity.

An unofficial translation of the new law mentioned below, permitting foreign firms to do business in Sweden through branch establishments, is given in this handbook in appendix B.

The forms of Swedish business entities are discussed in this chapter.

Anyone contemplating business relationships under the provisions of the new law or through the formation of a Swedish corporate entity should seek competent legal advice. (See Chapter IV.)

BRANCH OF FOREIGN ENTERPRISE

On January 1, 1956, a new Swedish law came into effect—*The Right of Foreign Companies and Associations to Carry on Business in Sweden*, Law No. 383 of June 3, 1955—which permits foreign business firms to do business in Sweden through branch establishments. Prior to the enactment of this law a foreign enterprise wishing to carry on a business in Sweden was, as a rule, able to do so only through the formation of a Swedish corporate entity.

In connection with the promulgation of law No. 383, a supplement to *Index*, the Monthly Economic Review of Svenska Handelsbanken, carried the following pertinent comments:

"It is to be noted that the powers hitherto granted to foreign corporations for carrying on business in Sweden are not affected by the new law. The various specific laws on the subject will continue to remain in force—e. g., the act of the 9th June 1950 (effective January 1, 1951), governing the right of a foreign insurance institution to conduct an insurance business in Sweden.

"A foreign enterprise that has been granted permission to carry on business in Sweden through a branch shall be entitled in principle to conduct the business on the same conditions as a Swedish enterprise. Nevertheless, if special limitations are laid down in specific laws, they shall apply. As an instance it may be mentioned that a foreign company may not manufacture war material or carry on a regular domestic air-transport service or a shipping business using Swedish vessels.

"The requirement that a foreign enterprise desirous of establishing a branch in Sweden must be actively engaged in business in the home country aims at preventing purely fictitious enterprises from trading in Sweden. It has not been expressly laid down in the law that the activities of the branch in Sweden must be of the same kind as those carried on by the enterprise in the home country, though this is implied in the very term 'branch establishment' and is likely to be taken into consideration when a permit is applied for.

"The branch will, as a rule, be taxed according to the same regulations as Swedish business firms.

"In conjunction with the passing of the new act it has been prescribed that a registered branch of a foreign company shall be deemed from the foreign exchange point of view to be domiciled in Sweden. Accordingly, transactions of the branch will be considered in this respect to be on a par with dealings between a Swedish enterprise and its connections in Sweden and abroad. Transactions between the foreign enterprise and its branch will be comparable with dealings between a foreign and a domestic enterprise. Thus, from the foreign exchange point of view, no distinction will be drawn, on the whole, between a case where an independent foreign company carries on its business in Sweden and a case where the business is conducted through a Swedish subsidiary."

SWEDISH CORPORATION (AKTIEBOLAG)

The corporation is probably the most important form of commercial organization of interest to foreign individuals and firms considering the establishment of a business firm in Sweden. All foreign firms which have established subsidiaries in Sweden have incorporated them as Swedish corporate entities.

The basic act governing corporations is the Swedish Stock Corporation Act of September 14, 1944, which became effective on January 1, 1948. This act provides that an incorporator of a corporation must be a legally competent Swedish citizen resident in Sweden, a Swedish stock corporation or mutual insurance company, or a Swedish trading partnership (handelsbolag) in which each partner, whose liability is unlimited, is a legally competent Swedish citizen resident in the

country or a Swedish economic association. The Swedish state as well as a Swedish local authority may also be an incorporator. A bankrupt may not be an incorporator. The minimum number of incorporators is three.

The incorporators must draw up the incorporation documents, prepare subscription lists, and draft bylaws.

A foreigner may be the managing director of a Swedish corporation, provided he obtains the requisite permit. In fact, any foreigner resident in Sweden needs a permit to engage in business. (See chapter IV.)

Capital Stock

The capital stock of a corporation must be fixed in Swedish currency and may not total less than 5,000 crowns. The stock certificates must indicate the par value of the shares. As a rule the par value may not be less than 50 crowns. Under certain conditions the par value may be lower but not lower than 10 crowns. The stock must as a rule be registered stock.

The liability of the shareholders of a corporation is limited to the par value of the shares subscribed.

Documents

These include, in addition to the bylaws, three incorporation documents. All documents must be approved by the registration authority, namely, the Royal Swedish Patent and Registration Office (Patent och Registreringsverket).

Incorporation documents.—These are: (1) Articles of incorporation (stiftelseurkund), (2) incorporation statement (stiftelsekungorelse), and (3) in certain instances, an incorporators' report (stiftarberattelse).

The articles of incorporation must include an agreement concerning the formation of a corporation for the purpose of carrying on a business under a specific name in accordance with the provisions included in the draft bylaws. (See below.) The name of the corporation shall include the word "Aktiebolag" (corporation), the abbreviation of which is A/B or A B, and must be distinct from the names of already existing corporations. Any stipulation providing that payment for stock may be made otherwise than in money, that the incorporators or other persons or firms will enjoy special privileges, etc., must be included in the articles of incorporation.

The incorporation statement must include the main provisions of the articles of incorporation as well as statements concerning the

amount of capitalization, par value of shares, the amount which shall be paid for each share, the time (not exceeding 2 years after the formation of the corporation) within which shares must be fully paid for, and the time within which the constituent meeting is to be held (this time may not exceed 6 months after the approval of the incorporation documents, draft bylaws, and subscription list by the registration authority).

The incorporators' report must contain information with respect to the property or the business which the new corporation is to undertake. The correctness of the statements made in the incorporators' report must be supported by comments of chartered accountants embodied in a document known as the examiners' report (granskningsberattelse).

Bylaws.—These must include:

1. The corporation's name.
2. Object of corporate activities.
3. Amount of capitalization.
4. Par value of shares.
5. Place in Sweden where the corporation's board of directors is to have its headquarters.
6. Number of directors, alternates, and auditors and their tenure of office.
7. Number of stockholders' meetings and certain matters which must be included in their agenda.
8. Time when stockholders' meetings must be held.
9. Manner in which stockholders are to be served notice of the meeting or other information.

Other Factors Pertinent to Formation

A notice of approval of the documents by the registration authority is published in a local newspaper and the Swedish Official Gazette (Post och Inrikestidningar). Thereupon the incorporators may invite subscriptions to the stock, if any is left over after the incorporators have made their subscriptions. (Each incorporator must subscribe for at least one share.) The incorporators also call the constituent meeting. The corporation is considered formed when this meeting has adopted the bylaws and voted formation of the corporation. This meeting also elects the board of directors and the auditors.

Within 6 months after the constituent meeting the board must file an application for registration of the corporation with the Royal Swedish Patent and Registration Office in Stockholm.

Board of Directors

The board may consist of one or more members. If the capital exceeds 500,000 crowns, the board must have at least 3 members. Only one-third of the members may be persons other than Swedish citizens permanently residing in Sweden; such a person or persons require a permit from the King-in-Council in each specific case.

Legal Reserve Fund

Among the other provisions of the Swedish Stock Corporation Act is the requirement for a reserve fund. Not less than 10 percent of the annual net profit must be set aside for the legal reserve fund until this fund has reached an amount equal to 20 percent of the capital.

OTHER FORMS OF ORGANIZATION

Partnership (handelsbolag).—All partners have unlimited liability toward third parties. The name under which the partnership carries on its business must be registered.

Cooperatives (ekonomiska foreningar).—This form is an association established for the purpose of promoting the economic interests of its members.

Simple partnership (enkelt bolag).—It need not be registered in a commercial register and need not keep trade books.

Joint-stock partnership (kommanditbolag).—This is a firm whose capital is represented by shares of stock with both active and silent partners. Active members are responsible jointly and without limitation for the liabilities of the firm whereas the silent partners are responsible only for the payment of their shares.

CHAPTER VI

Taxes and Overhead

The tax rates cited in this chapter—those payable by individuals and those payable by corporations and other groups—are included merely to illustrate the incidence of Swedish taxation and to furnish some indication of the tax-income relationship in that country. The prospective investor will need precise, current information,[1] and should seek expert advice, when considering a specific venture.

Income taxes in Sweden are collected at the source. These are preliminary taxes which must ordinarily be paid during the year in which the income is received. A final assessment is made during the year following the income year and this assessment is used as the basis for computing the final tax.

TAXES PAYABLE BY INDIVIDUALS

Individuals in Sweden are subject to the following personal taxes: Local (municipal) income tax; local real estate tax; national income tax; and national capital assets tax. The Central Government collects both national and local taxes. Local income tax payments are then allocated to the municipality, Province, and parish in which the taxpayer resides.

Every person earning an annual income of 1,200 crowns or owning capital assets valued at 50,000 crowns (1 crown equals US$0.193) is required to submit an annual tax declaration each February which states his income for the preceding year and the amount of capital assets at the end of that year. The tax year covers the period January 1 through December 31.

[1] Current information on taxes in Sweden may be obtained from the European Division, Bureau of Foreign Commerce, Washington 25, D. C.

Local Income Tax

Income for local income tax purposes is defined as income from all income sources. Income from employment includes deferred income payments, such as pensions and annuities, while capital income is classed as interest, dividends, income from business activity, and income from land and houses.

Capital gains on securities and other capital assets owned by a taxpayer are classified as income according to the length of time the taxpayer owns them. The amount of the gain taxable varies from 100 percent for assets owned 2 years or less to 25 percent for assets held for 4 years but less than 5. Capital gains on securities and other capital assets owned for more than 5 years are not subject to taxation.

Capital gains derived from the sale of real estate also are subject to a tax based on period of ownership. All of the capital gains from property held less than 7 years are subject to full taxation, with the percent of gain taxable then decreasing to 25 for property held for 9 years but less than 10 years. Capital gains from the sale of property held over 10 years are not subjects to the income tax.

A Swedish taxpayer is permitted certain general deductions from net income from all sources. Among these deductions are periodic contributions to dependents, premiums paid for annuities, pensions, and life insurance, and losses as defined in the tax code. The maximum deduction allowed for life insurance premiums is 200 crowns for a single person and 400 crowns for a married couple. A wife who is gainfully employed may deduct 300 crowns from her income.

The amount remaining after all such deductions is the taxpayer's total assessed income.

In addition, a taxpayer is given a personal or family exemption which is deductible from the assessed income. The amount of exemption varies according to the cost-of-living area in which the taxpayer resides. There are four such areas in the country, with Stockholm classified as the highest. The exemptions, according to cost-of-living area, are as follows:

	In crowns	
Cost-of-living area	*Exemption for single person*	*Exemption for family*
II	1,230	1,760
III	1,290	1,840
IV	1,340	1,920
V (Stockholm)	1,400	2,000

Subtraction of the above exemptions from the assessed income gives the taxpayer's taxable income.

Local income taxes are not progressive. Tax rates vary considerably in the different municipalities, Provinces, and parishes. In Stockholm, for example, the local tax rates total about 10½ percent of taxable

income. The national average for local tax rates is about 12 percent of taxable income.

Real Estate Tax

An assessment is made of real property in Sweden once every 5 years. The assessed value for tax purposes is, in principle, the current market value of the property, but in practice it is generally somewhat lower. The real estate tax is an annual tax based on an amount equal to 4 percent of the assessed value. The rate of the tax on real property is always the same as the local tax rate on income.

The taxpayer in making his local income tax return is allowed to reduce income derived from real estate by 4 percent of the assessed value of the property.

National Income Tax

Total net income for national income tax purposes is determined, prior to deductions and personal exemptions, in the same manner as is the net on which is based the local (municipal) income tax.

A Swedish taxpayer is permitted to make the same general deductions in preparing his national income tax return as for the local income tax return. However, in addition, the taxpayer preparing a national income tax return may deduct from income the amount of the local income and real estate taxes paid in the preceding year. A gainfully employed wife with one or more children under 16 years of age may deduct, in addition to the 300 crowns permitted for local income tax purposes, 10 percent of her income up to a maximum deduction of 1,000 crowns (the 300-crown deduction is included in this maximum sum).

The personal exemptions for national income tax purposes are as follows, by cost-of-living areas:

	In crowns	
Cost-of-living area	*Exemption for single person*	*Exemption for family*
II	1,760	3,520
III	1,840	3,680
IV	1,920	3,840
V (Stockholm)	2,000	4,000

Subtraction of the above exemptions from the assessed income gives the taxpayer's taxable income for national tax purposes.

Husbands and wives who have separate incomes must submit separate returns. In determining their taxable income the family exemption is divided equally between them. The amount of the tax is then calculated on the combined taxable incomes of husband and wife,

this amount being apportioned between them on the basis of the amounts of their taxable income.

The Swedish Riksdag fixes annually the tax rate for national income tax purposes. This tax rate is progressive in character. Tables 9 and 10 shows the tax rates effective January 1, 1957.

Table 9.—National Income Tax Table for a Family

Taxable ncome (in crowns)		*National income tax*
Not over 8,000		At rate of 11 percent.
Over:	Not over:	
8,000	10,000	880 crowns plus 17 percent of excess over 8,000 crowns.
10,000	12,000	1,220 crowns plus 21 percent of excess over 10,000 crowns.
12,000	16,000	1,640 crowns plus 27 percent of excess over 12,000 crowns.
16,000	20,000	2,720 crowns plus 31 percent of excess over 16,000 crowns.
20,000	30,000	3,960 crowns plus 37 percent of excess over 20,000 crowns.
30,000	40,000	7,660 crowns plus 43 percent of excess over 30,000 crowns.
40,000	60,000	11,960 crowns plus 48 percent of excess over 40,000 crowns.
60,000	100,000	21,560 crowns plus 54 percent of excess over 60,000 crowns.
100,000	150,000	43,160 crowns plus 59 percent of excess over 100,000 crowns.
150,000		72,660 crowns plus 65 percent of excess over 150,000 crowns.

Table 10.—National Income Tax Table for a Single Person

Taxable income (in crowns)		*National income tax*
Not over 4,000		At rate of 11 percent.
Over:	Not over:	
4,000	6,000	440 crowns plus 17 percent of excess over 4,000 crowns
6,000	8,000	780 crowns plus 22 percent of excess over 6,000 crowns
8,000	10,000	1,220 crowns plus 25 percent of excess over 8,000 crowns.
10,000	12,000	1,720 crowns plus 28 percent of excess over 10,000 crowns.
12,000	16,000	2,280 crowns plus 32 percent of excess over 12,000 crowns.
16,000	20,000	2,560 crowns plus 36 percent of excess over 16,000 crowns.
20,000	30,000	5,000 crowns plus 41 percent of excess over 20,000 crowns.
30,000	40,000	9,000 crowns plus 45 percent of excess over 30,000 crowns.
40,000	60,000	13,600 crowns plus 49 percent of excess over 40,000 crowns.
60,000	100,000	23,400 crowns plus 54 percent of excess over 60,000 crowns.
100,000	150,000	45,000 crowns plus 59 percent of excess over 100,000 crowns.
150,000		74,500 crowns plus 65 percent of excess over 150,000 crowns.

National Capital Assets Tax

A person owning capital assets in excess of 50,000 crowns is required to pay a special property tax. This tax is in addition to any tax on income derived from these assets.

The net amount of capital assets owned by a taxpayer is subject to the capital assets tax after deductions have been made for all debts. Taxable property includes virtually every kind of asset—land, buildings at their assessed value, securities of all kinds according to their market value at the end of the tax year, bank deposits, personal property (including jewelry, automobiles, and yachts)—according to their current depreciated value. Furniture and other articles used by the taxpayer or his family, private art collections, and books are not subject to this tax.

Assets belonging to a person who has not become of age (21 years), living with his parents and not subject to the national income tax, are considered for capital assets tax purposes as the property of the parents. For a husband and wife, the national capital assets tax is assessed on their combined property. Table 11 shows the rates of the capital assets tax.

Table 11.—Capital Assets Tax Table

Property value (in crowns)	*Capital assets tax*
50,000	0 plus 0.5 percent of excess over 50,000 crowns.
100,000	250 crowns plus 0.8 percent of excess over 100,000 crowns but not over 150,000 crowns.
150,000	650 crowns plus 1 percent of excess over 150,000 crowns but not over 200,000 crowns.
200,000	1,150 crowns plus 1.3 percent of excess over 200,000 crowns but not over 400,000 crowns.
400,000	3,750 crowns plus 1.6 percent of excess over 400,000 crowns but not over 1,000,000 crowns.
1,000,000	13,350 crowns plus 1.8 percent of excess over 1,000,000 crowns.

A special reduction clause affords some relief for taxpayers with large capital assets but small incomes. If the total assessed income from all sources is less than 3⅓ percent of the capital assets, then the capital assets tax is not levied on that part of the assets which is more than 30 times as large as the total assessed income from all sources. The taxable amount of a taxpayer's capital assets may not, however, be reduced to less than one-half of his total assets.

Swedish tax laws provide that total taxes due for a given period may not exceed 80 percent of a taxpayer's net income for that period, before direct taxes.

TAXES ON CORPORATIONS AND OTHER GROUPS

Joint-stock companies are subject to the same local (municipal) income and real estate taxes as are individuals but are not granted the personal or family exemptions. The local tax rates are also the same.

The national income tax rate for joint-stock companies is fixed at 50 percent of annual net profits after deduction of local income tax payments, effective January 1, 1957. Corporations are not subject to the national capital assets tax.

The profits of Swedish joint-stock companies are subject to double taxation. First of all, companies must pay the local income tax on their taxable profits. This tax averages about 12 percent. After deducting this tax from taxable profits they pay the national income tax on the remaining profits. Together these taxes average about 57 percent of the profits. Second, the stockholders have to pay local and national income taxes on the dividends received as well as a national capital assets tax on the value of the shares owned.

Since 1952 a temporary law has limited the depreciation allowances on new machinery and equipment acquired by corporations to 20 percent per annum, whereas assets acquired before 1952 can still be written off freely. The right to make deductions from taxable income for depreciation on buildings and other real property is as a rule strictly limited to certain percentages laid down by law. For industrial buildings, an annual deduction of 3 percent of the original cost is generally allowed. Private firms and partnerships are restricted to certain maximum annual depreciation rates which are somewhat different

from those allowed corporations (e. g., 10 percent of the original cost of machinery; 20 to 25 percent for motor vehicles).

Economic associations, such as cooperatives, savings banks, mortgage companies, and building and loan companies, are, among others, subject to a national tax rate of 40 percent, effective January 1, 1957. Life insurance companies pay a national income tax of 10 percent on their net profits. Nonprofit organizations are subject to a tax of 15 percent on their net profits.

These taxpayers pay local taxes at the same rates as the individual taxpayer and the joint-stock company. Most of the above types of taxpayer do not have to pay a tax on their capital assets. Organizations whose members have no claim on the organization's capital assets are, however, subject to a tax of 1½ percent on total assets exceeding 5,000 crowns.

MISCELLANEOUS TAXES

Among the other taxes collected by Sweden are estate taxes; inheritance taxes; gift taxes; a coffee tax; excise taxes on spirits, beer, malt, mineral water, carbonated beverages; a stamp tax on playing cards; a consumption tax on gasoline and various temporary taxes on agricultural products and their derivatives; on investments; on electric power; solid and liquid fuels; a tax on automobiles; and luxury taxes on specified commodities (confectionery, dentifrices, cosmetics, furs, gold, silver, and platinum ware, and jewelry).

TAX LIABILITY OF FOREIGNERS

Any person owning real estate in Sweden is subject to the local real estate tax regulations, regardless of whether or not he resides in Sweden.

Persons resident in Sweden at the end of an income year are required to pay a capital assets tax on all property owned in Sweden and abroad. If a person is not a legal resident of Sweden at the end of the income year he is subject to capital assets taxes on only the following capital assets: (1) Swedish real estate, (2) assets in Sweden which are part of enterprises carried on in Sweden, and (3) ownership equity in Swedish economic associations and joint-stock company shares, if shares are held in a business carried on in Sweden by the taxpayer. Nonresidents of Sweden are subject to a special coupon tax on dividends on shares, which is deducted at the source. This coupon tax is 10 percent for persons legally residing in the United States and certain other countries, otherwise the tax rate is 20 percent.

The income tax is, in principle, levied on the income of all persons

resident in Sweden regardless of nationality, and, as stated above, the tax is levied on all income irrespective of source.

American citizens are eligible for the benefits afforded under a convention for the avoidance of double taxation concluded between the United States and Sweden in 1939. The provisions of this treaty, which are reciprocal, are applicable to individuals, corporations, and other entities. In general, Americans resident in Sweden are subject to Swedish taxes on income from labor and services performed in Sweden. Income of commercial enterprises taxed by one state is exempt from taxation in the other. Income from real property is taxable in the state in which the property is located.

OVERHEAD COSTS

Gas and electric rates in Sweden are uniformly low. The domestic and international telephone, telegraph, and postal services are excellent. A fee of 200 crowns is charged for a new telephone installation. The service charge is 27.50 crowns per quarter for each apparatus in use plus a charge of 0.06 crown for each call made (this applies to the Stockholm district). The rates for long-distance calls are moderate.

Rental of office space has been a serious problem in most cities in Sweden because the construction of office buildings has been limited since World War II. Floor space is rented by the square meter. The rates vary depending on the type of building. Floor space in older buildings rents for about 50 crowns per square meter.

Items of equipment, such as desks, safes, stationery, and supplies of all kinds, are available at reasonable prices.

Labor wages and fringe benefits are discussed in chapter VII.

CHAPTER VII

Labor Conditions

Sweden has a highly trained and well-organized labor force. Labor-management relations are marked by the peaceful settlement of most labor disputes and by the high degree of organization of both employees and employers. Out of a population of 7.3 million, over 3 million were reported to be gainfully employed. The labor force in industry totaled 683,000 at the end of 1956 (559,000 men and 124,000 women). While the Swedish Government is the largest single employer of labor, it employs only about 5 percent of Sweden's workers. Full employment has been the prevailing trend since the end of World War II and many industries have suffered a shortage of skilled workers. Only recently has there been a generally more even balance between supply and demand, but the situation with respect to individual industries has been variable.

Swedish labor relations are governed by law, but wages are regulated by collective wage agreements for fixed periods in all major industries. Virtually all organized manual workers and a high percentage of clerical workers are covered by such agreements. The piece-work system is applied in industry wherever practicable. In working out collective wages, the country is divided into four cost-of-living areas and wage rates vary somewhat from area to area.

The central association for organized Swedish workers is the Confederation of Trade Unions (Landsorganisationen—generally referred to as LO). The confederation is comprised of 44 national unions. Over 1.3 million workers—reportedly a majority of Swedish wage earners—make up these unions. Salaried workers are organized in the Swedish Federation of Salaried Employees, generally called TCO, which had 344,000 members in 1956. Two other organizations are the National Rural Federation (RLF), which represents the interest of farmers, and the Organization of University Graduates.

LABOR LEGISLATION

The framework of Swedish labor legislation is provided by the Labor Court Act of 1928, the Collective Agreements Act of 1928, and the Freedom of Association and Right of Negotiation Act of 1936. Within this framework a rather elaborate structure of employer-employee relations has been built up, essentially on the basis of agreement worked out between the main organizations of management and labor and between affiliates of the two organizations operating in various industries. The Labor Court is not an administrative body which can make law, nor can it through interpretation of law establish new criteria or new principles in labor-management relations. It is rather a court of limited competence engaged primarily in interpreting collective agreements.

Wage agreements are generally concluded between employer organizations and affiliates of the Swedish Confederation of Trade Unions on an annual basis. These agreements generally govern both wages and fringe benefits. The fringe benefits vary from industry to industry. While most social benefits in Sweden are financed by taxes, Swedish workers are guaranteed by national law (effective since 1953) a 3-week (18-workday) paid vacation.

A new Workmen's Compensation Act of April 28, 1954, effective January 1, 1955, replaced the earlier Workmen's Compensation Act of 1916 and the Occupational Disease Act of 1929, as well as subsequent amendments to these acts. This new act, which is coordinated with a new Universal Compulsory Sickness Insurance Act, also effective January 1, 1955, provides much the same benefits as the older acts and covers reimbursement of such expenses as medical, dental, and hospital care, a daily allowance for sickness, an allowance for disability, allowances for surviving dependents, and a contribution toward funeral expenses. The expenditure involved is covered by premiums paid by the employers and calculated in relation to work hazards of particular plants. The state contributes toward the cost of administration.

The unemployment insurance scheme in Sweden is based on voluntary unemployment societies, legally established as mutual benefit societies. These societies are administered by the members, who are assessed regular fees. Legally authorized unemployment benefit societies are granted subsidies by the state. To qualify for membership a person must either be a Swedish citizen or a foreign national who has worked in Sweden at least a year. Most of the unions in the Confederation of Trade Unions have established such societies.

LABOR-MANAGEMENT RELATIONS

Parallel with the high degree of organization among Swedish labor are similar organizations among Swedish employers. The most im-

portant is the Swedish Confederation of Employers (SAF), which covers a large part of the most important industries. Other employer organizations are the Federation of Employers in Commerce, the Swedish Shipowners Federation (SRF), and the Swedish Agricultural Employers Federation (SLA).

Cooperation of Employer, Employee Groups

During the postwar period a number of master agreements have been concluded between the Swedish Confederation of Trade Unions (LO) and SAF concerning such matters as wages, restriction of labor conflicts, accident prevention, and labor-management committees.

Wage Agreement for 1957–58

On February 21, 1957, a master 2-year collective wage agreement was concluded between LO and SAF. This agreement provides for a 2-percent rise in hourly wages in 1957 and an additional 2.5-percent increase in 1958. This latter increase is designed to compensate for a reduction in the regular hours of work from 48 per week to 47. This reduction in work time is scheduled to go into effect January 1, 1958.

Since the conclusion of this master 2-year agreement, wage contracts conforming to it have been concluded between the respective employers and local trade unions for most of the workers organized in LO. All the individual wage agreements contain a guaranty clause enabling the workers to renegotiate contracts for 1958, if the consumer price index attains a certain level in November 1957.

REDUCED WORK HOURS

On May 4, 1957, the Swedish Riksdag passed amendments to the legislation on work hours by which the present statutory 48-hour week will be reduced gradually to 47 hours on January 1, 1958, to 46 hours in 1959 and to 45 hours in 1960. These amendments affect the General Work Hours Act of 1930, the Act on Work Hours in Agriculture of 1948, the Act on Work Hours in Retail Trade of 1942, and the Act on Work Hours at Hotels, Restaurants and Cafes of 1947. Other legislation not affected by the present amendments are the Act on Work Hours on Board Ships of 1948, the Domestic Servants' Act of 1944, and the Labor Protection Act of 1949. The last-mentioned law contains provisions governing rest periods, eating time, night work, and the employment of women and minors.

Under the amendments governing working hours, labor unions are given a free hand to establish a shorter or longer workweek than the law provides. Former legislation set a ceiling on regular work hours.

LABOR AND THE SOCIAL DEMOCRATIC PARTY

The Swedish trade union movement and the Social Democratic Party have developed side by side and cooperation between the two is traditional. A high percentage of the membership of the Social Democratic Party is accounted for under a system of collective affiliation through locals of trade unions affiliated with LO.

The close organic ties between LO and the Social Democratic Party are further cemented by the personal ties between leaders of the two organizations. Especially in the field of domestic policy the Social Democratic Party generally consults leaders of LO before making a decision concerning principle. On the other hand LO leaders consult the Social Democratic Party in formulating trade union policies. This of course does not preclude differences of opinion on specific questions and on means and methods.

EMPLOYMENT OF ALIENS

The general rule is that an alien who wishes to accept employment must first obtain a work permit (arbetstilstand) from the State Aliens Commission. Such a permit is also required for activities (which result from employment abroad) other than that of a traveling sales agent. This rule applies to American citizens. However, Swedish-born American citizens, their wives, and unmarried children under 21 years of age (provided they accompany the husband or parent) may be exempt from the work-permit requirement. The State Aliens Commission is authorized to waive the requirement for certain other foreigners.

For information on requirements for entrance and residence, see chapter VIII.

CHAPTER VIII

Business Travel

The following Swedish regulations apply to travelers from the United States entering Sweden as commercial travelers, tourists, or temporary visitors.

ENTRANCE AND RESIDENCE

Foreigners entering Sweden must have a passport or other valid document of identification. The general rule is that this document must be visaed by a Swedish Embassy or Consulate only if the visit to Sweden is to be longer than 3 months. A residence longer than 3 months requires a special residence permit (uppehallstillstand), which is granted by the State Aliens Commission (Statens Utlannings Kommission). American citizens may enter Sweden without a Swedish visa and do not require a residence permit during the first 3 months after their entry. (Certain exemptions from the requirements are granted citizens of Denmark, Finland, and Norway.)

CUSTOMS DECLARATION

A Swedish customs declaration ought to be filled out and signed by travelers prior to customs examination, and, prior to inspection, the declaration should be handed to the customs official personally.

A single declaration for a family or special group is permissible.

Customs declarations may be obtained from the Swedish customs, or from the shipping line, or railroad train on which the journey to Sweden is being made.

FOREIGN EXCHANGE REGULATIONS

Travelers entering Sweden are allowed to take into the country Swedish currency up to a value of 1,000 crowns but in denominations

only up to 100-crown notes. An unlimited amount of United States currency, including traveler's checks, may be taken into Sweden except that dollar bills may not be in denominations higher than $20. Currency of other foreign countries may also be taken into Sweden. Pound sterling notes may not, however, exceed 10 pounds for each traveler.

It is advisable to obtain from the currency control officer upon entry a certificate showing the amount of foreign currency carried by the traveler. On departure from Sweden travelers are, as a rule, required to present such a certificate to prove that no more foreign currency is being taken away from the country than was originally taken in.

CUSTOMS TREATMENT OF POSSESSIONS

Personal Effects in Travelers' Baggage

Wearing apparel, bedding, and other personal effects such as watches, jewelry, and toilet articles taken by travelers into Sweden may enter duty free and without an import license when intended for personal use and not found to be in excess of the traveler's personal requirements.

Certain other items belonging to travelers may be taken in duty free and without an import license provided they do not exceed requirements during the journey. As a rule, the social position or the occupation of the traveler is used as a yardstick by Swedish customs officials in determining whether the various commodities brought by travelers into Sweden should be granted duty-free entry.

Should the Swedish customs official examining the baggage for any reason refuse to grant duty-free entry, the travelers are advised to consult the chief or customs officer of highest rank at the customs office where entry into Sweden is made and to offer verbal or written declaration that the commodities in question are intended for their personal use.

Among the articles specifically granted such duty-free treatment are bicycles, hand cameras, kodaks, amateur motion-picture cameras, projectors, typewriters, binoculars, phonographs and records, radio receivers, and camping, sporting, hunting, and fishing equipment, provided these articles are brought in for personal use and not for commercial purposes. Used articles may be imported duty free only if they are brought in by the owner himself.

When commercial cameras, projection apparatus, etc., are taken in, the duty must be deposited in full, subject to refund upon exportation.

Tobacco and Spirituous Beverages

Tobacco products may be taken in duty free by travelers for the use of themselves, their family, or as gifts to close personal friends, up to 500 grams (1.1 pounds). This amount may consist of up to 500 cigarettes or the equivalent in cigars or smoking tobacco. Amounts in excess thereof, taken in by travelers for their own use, are dutiable at the following rates: Cigars, 0.50 crown each: cigarillos, 0.25 crown each; cigarettes without paper mouthpiece, 0.10 crown each; cigarettes with paper mouthpiece, 0.05 crown each; other finished tobacco products, 50 crowns per kilogram (1 kilogram equals 2.2 pounds, 1 crown equals $0.193). Cigarette paper may be brought in duty free by travelers for their own use or of their family or as gifts to close friends for the friends' use, provided the quantity does not exceed 10 grams gross weight.

Travelers may take in duty free 2 bottles of not more than 1 liter each of alcoholic beverages, or wine, and not over 2 liters of malt beverages, intended for their own consumption or for that of their family or as a gift to a close friend for the latter's own use.

Films, Gifts, and Other Items

Films for hand cameras or for amateur motion-picture cameras, brought by a traveler, may be imported duty free on condition that the films are imported for the traveler's own use and not for commercial purposes and are found not to be in excess of the traveler's personal requirements.

If films are deposited with the customs at the time of entry, arrangements should be made at that time to pick up the films at another customhouse if departure is to be made at a point other than that of entry.

Films sent by mail to travelers will be subject to the usual customs regulations and import duty. Unprocessed films are duty free. Camera equipment and films sent in advance by travelers intending to visit Sweden will also be subject to the customs regulations and import duty.

Commodities taken in by travelers for gifts to members of their families or close personal friends, when they are intended for personal use and are not imported for commercial or professional purposes, may enter duty free. This duty exemption applies to goods normally used as gifts. The value of such articles may not exceed 275 crowns.

Duty-free entry is granted instruments, appliances, tools, and other similar articles, which travelers take into Sweden for their professional use in the exercise of science, art, or handicraft, provided the

articles are intended to be used by the travelers during a temporary stay in the country.

Souvenirs in Transit

Journey souvenirs to a total value of 2,500 crowns ($482.50) may enter duty free if the souvenirs are brought by the traveler and are designated to be reexported.

Goods for Temporary Use and Reexport

Articles taken into Sweden as samples or models or for exhibition, and thereafter to be reexported, may enter duty free, but the duty must be deposited at time of entry into Sweden. Books, magazines, pictures, positive films for exhibition, film strips, slides, etc., of an educational, scientific, or cultural nature may be taken in duty free.

Articles taken in for use in public competitions, sports events or similar events, lectures, or theatrical or circus performances occurring occasionally are granted duty-free entry under Swedish customs regulations, provided they are subsequently reexported. The duty, in these cases, must also be deposited. Racing automobiles, boats, aircraft, and other vehicles taken into Sweden for a temporary stay for participation in races, regattas, or other contests are also granted duty-free entry. The amount of duty must also be deposited. Racing automobiles must also be provided with traffic insurance.

Pet Animals

Pet animals, such as dogs and cats, are subject to rigid sanitary regulations established by the Royal Swedish Veterinary Board. Because of the strict regulations governing the entry of pet animals into Sweden and the fact that animals, particularly dogs, must be kept in quarantine for 4 months after arrival in the country at the owner's expense, travelers visiting Sweden for a short time would be well advised not to take pet animals with them on the trip.

ENTRY OF VISITORS' AUTOMOBILES

Passenger automobiles and fuel for their operation taken into Sweden by travelers for a temporary stay in the country—at most 1 year—may enter duty free under the condition that the traveler has a triptyque or international carnet de passage valid for Sweden. The triptyque or carnet can be obtained through most automobile associations. It is understood that some steamship companies will also

undertake to obtain these documents for their clients. Also, parts for the repair of such motor vehicles may enter duty free under the same conditions. If the traveler has no triptyque or carnet for his automobile or for the parts to repair it, he has to deposit the duty.

The automobile may be brought in without an import license when it is duty free under the triptyque or carnet regulations. The Swedish Government also recognizes an automobile driver's permit issued and valid in the United States. Such a valid driver's permit entitles the holder to operate a motor vehicle within Sweden, for pleasure purposes only, during a temporary stay of not exceeding 1 year.

A motor vehicle taken into Sweden for a temporary stay and use must be provided with a temporary liability insurance policy (so-called traffic insurance). If the traveler at entry into the country has an international motor insurance card valid for Sweden for the period of his stay, his insurance is approved. If the traveler has no such insurance card he must take out insurance at time of entry into the country. This insurance is provided at a nominal amount by the Swedish Government and must be obtained through the customs official at the point of entry into Sweden. The initial cost is 7 crowns for the first day. The charge for the remainder of the stay is on a descending rate basis and is paid on departure from the country.

Duties deposited for items exempt from duty are refunded upon reexportation of the articles.

EXPORT REGULATIONS

Souvenirs purchased in Sweden to a value of 2,500 crowns may be taken out of the country without an export license on condition that the commodities are intended for personal use or as a gift for personal use and not for commercial purposes. There is no export duty.

Exportation of certain maps and pictures or films of Swedish military installations is forbidden.

A special permit is required to export certain articles of cultural value, such as antique furniture, certain paintings, antique tile stoves, and clocks.

APPENDIX A

Statistical Summary[1]

This statistical summary presents some of the important aspects of Sweden's foreign trade. The country's trade by currency areas is shown in table I. Annual totals for the years 1936 through 1938 and 1946 through 1956 are given in table II. Sweden's trade for the years 1954 through 1956, by principal countries and principal commodities, is shown in tables III, IV, and VI. Imports and exports of selected commodities, by principal countries, for 1954 and 1955 are given in tables V and VII, respectively. Principal items in trade with the United States for 1954–56 are presented in tables VIII and IX. Comparable data for earlier years are available in a World Trade Information Service report—*Foreign Trade of Sweden 1952-53*, part 3, No. 55–2—which may be purchased for 20 cents from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., or from any Field Office of the United States Department of Commerce.

The data in this summary were compiled from official Swedish trade statistics as published by the Kommerskollegium in *Handel* and in *Månadsstatistik över Handeln;* by the Organization for European Economic Cooperation in its *Statistical Bulletins, Series IV, Sweden;* and by the United Nations in its *Commodity Trade Statistics.*

Trade data represent exports of Swedish products and imports for domestic consumption. Imports are credited to the country of origin and exports to the country of consumption.

Excluded from the data are improvement (processing) and repair trade; certain dutiable goods which, when imported by land from Norway, are duty free; fish exported direct from the fishing grounds; ships' stores exported on foreign ships; coin; unworked gold; and, prior to January 1954, unworked silver. The values of unworked silver, which are excluded from the trade statistics for each of the years 1936–38 and 1946–53, are as follows, in thousands of dollars:

Imports—738; 705; 820; 3,431; 1,531; 1,740; 2,004; 2,869; 1,723; 998; and 2,174.

Exports—178; 244; 230; 252; 197; 86; 116; 162; 122; 151; and 428.

The statistics are based on declared quantities and values. Exports are valued f. o. b. and imports, c. i. f. Quantities ordinarily represent

[1] Prepared by the International Economic Analysis Division, Office of Economic Affairs.

net weight; in some instances gross weight, or net weight plus all or part of the packing, is reported.

Swedish quantity units used in the tables and their United States equivalents are: Metric ton equals 2,204.6 pounds, liter equals 0.264178 gallon, and cubic meter equals 35.3144 cubic feet.

Table I.—Swedish Foreign Trade, by Currency Areas, 1954–56

[Millions of crowns] [1]

Area	Imports			Exports			Deficit or surplus		
	1954	1955	1956	1954	1955	1956	1954	1955	1956
Total	9,193	10,337	11,427	8,196	8,933	10,047	−997	−1,404	−1,380
Dollar area, total	1,013	1,460	1,785	635	713	861	−378	−747	−924
United States	724	1,009	1,171	381	440	516	−343	−569	−655
Other	289	451	614	254	273	345	−35	−178	−269
European Payments Union area, total	6,976	7,644	8,234	6,307	7,045	7,754	−669	−599	−480
Sterling area within OEEC [2]	1,731	1,706	1,964	1,664	1,903	1,934	−67	+197	−30
Other countries within OEEC [2]	4,927	5,618	5,971	4,216	4,670	5,270	−711	−948	−701
Sterling area outside OEEC [3]	270	280	269	391	437	513	+121	+157	+244
Indonesia	48	40	30	36	35	37	−12	−5	+7
South American countries outside the dollar area [3]	458	368	384	430	330	468	−28	−38	+84
European Soviet bloc	366	441	558	343	317	356	−23	−124	−202
Other countries	380	424	466	481	528	608	+101	+104	+142

[1] The current conversion rate is 5.18 crowns per US$1.
[2] Organization for European Economic Cooperation.
[3] Brazil, Paraguay, Uruguay, Argentina, Chile, and Peru.

Table II.—Value of Swedish Trade, 1936–38 and 1946–56

Year	Value in thousands of Swedish crowns		Conversion rates (U. S. dollars per crown)		Value in thousands of dollars	
	Imports	Exports	Imports	Exports	Imports	Exports
1936	1,632,669	1,514,225	0.301900	0.301900	492,903	457,145
1937	2,123,456	2,000,383	.254300	.254300	539,995	508,697
1938	2,081,765	1,843,288	.251400	.251400	523,356	463,403
1946	3,385,598	2,546,732	.259300	.258400	877,886	658,076
1947	5,220,114	3,239,762	.278200	.278200	1,452,236	901,302
1948	4,944,859	3,979,098	.278200	.278200	1,375,660	1,106,985
1949	4,333,244	4,249,726	.269715	.268517	1,168,741	1,141,124
1950	6,101,856	5,706,665	.193200	.193200	1,178,879	1,102,528
1951	9,183,541	9,225,171	.193200	.193200	1,774,260	1,782,303
1952	8,947,321	8,133,609	.193200	.193200	1,728,622	1,571,413
1953	8,161,127	7,656,825	.193200	.193200	1,576,730	1,479,299
1954	9,192,268	8,195,924	.193200	.193200	1,775,946	1,583,453
1955	10,337,240	8,932,685	.193200	.193200	1,997,155	1,725,795
1956	11,427,200	10,047,200	.193200	.193200	2,207,735	1,941,119

Table III.—Trade With Principal Countries, 1954–56

[Thousands of dollars]

Country	Imports			Exports		
	1954	1955	1956	1954	1955	1956
Total	1,775,946	1,997,155	2,207,735	1,583,453	1,725,795	1,941,119
United States	139,954	194,977	226,218	73,686	84,969	99,672
Australia	11,070	11,032	9,757	26,700	26,951	24,614
Belgium-Luxembourg	87,829	96,793	100,696	69,726	80,120	88,582
Brazil	62,616	52,647	58,926	51,700	30,564	41,152
Denmark	62,732	72,469	74,208	103,922	100,020	107,361
Finland	15,533	12,384	15,804	29,907	38,118	46,561
France	90,282	96,870	83,540	75,561	89,877	122,759
Germany, Federal Republic of	360,666	436,651	485,531	194,765	228,478	264,935
Italy	54,173	56,318	62,500	49,730	50,792	62,210
Netherlands	123,706	141,210	154,019	93,760	105,951	120,731
Norway	63,969	63,737	81,569	155,507	167,524	158,675
Poland	18,624	23,532	29,869	14,509	17,581	14,799
Switzerland	41,538	42,272	42,697	19,281	21,252	27,782
Union of South Africa	8,675	9,486	8,037	19,262	22,933	28,439
United Kingdom	282,864	272,952	305,797	294,437	337,945	344,611
U. S. S. R.	27,280	31,936	42,234	22,643	14,664	26,507
Venezuela	21,948	27,183	44,919	6,627	7,593	10,491
Other countries	302,487	354,706	381,414	281,730	300,463	351,238

Table IV.—Imports of Principal Commodities, 1954–56

Commodity	Quantity (metric tons, except as indicated)			Value (thousands of dollars)		
	1954	1955	1956	1954	1955	1956
Imports, total				1,775,946	1,997,155	2,207,735
Cereals, unmilled	99,813	393,303	316,381	8,383	27,156	23,007
Fruits and berries, edible, fresh or simply cooked	211,643	223,354	206,278	42,982	44,620	43,722
Coffee, not roasted	48,097	53,071	57,962	81,553	74,207	80,858
Feeding stuffs for animals, excluding unmilled cereals	169,009	269,237	311,572	14,968	22,465	24,504
Cotton, not carded; cotton linters and mill waste	40,337	33,756	33,590	29,720	24,545	22,167
Coal—1,000 metric tons	3,023	3,190	2,578	47,187	58,912	56,250
Coke, excluding petroleum coke—1,000 metric tons	2,006	2,513	2,834	39,412	53,380	78,438
Petroleum, crude—do	1,740	1,889	1,812	36,926	40,425	40,543
Gasoline—million liters	1,156	1,271	1,507	38,184	41,465	49,793
Gas oil, diesel oil, and other fuel oils—1,000 metric tons	3,419	4,806	6,418	85,194	124,270	180,212
Petroleum products, other				24,471	25,577	27,894
Chemicals, inorganic	321,953	363,744	448,089	22,714	27,438	33,385
Chemicals, organic	50,912	62,439	68,479	19,377	19,491	21,518
Fertilizers, manufactured	482,877	444,786	536,240	18,624	17,415	21,106
Yarn and thread of synthetic fibers and spun glass	4,696	5,561	5,977	17,404	18,607	18,627
Textile yarn and thread, other	7,356	7,237	6,710	20,351	19,853	17,818
Cotton fabrics of standard type	8,230	8,854	8,679	24,596	26,175	24,140
Textile fabrics of standard type, other	9,639	10,526	10,971	48,886	47,060	45,114
Iron and steel joists, girders, angles, shapes, sections, bars, and concrete reinforcement rounds	189,446	199,623	140,220	18,223	21,314	18,141
Iron and steel universals, plates, and sheets, uncoated	357,910	443,328	341,374	45,337	61,414	53,938
Iron and steel, other	315,444	367,991	404,552	39,163	51,454	58,492
Copper	58,727	50,721	51,736	39,749	43,404	48,431
Manufactures of metals, except ordnance	41,972	46,806	47,791	32,915	39,047	43,828
Machinery, nonelectric	113,153	117,140	123,707	144,158	163,703	179,183
Electric machinery, apparatus, and appliances	31,574	36,574	38,123	64,296	76,555	92,260
Passenger road motor vehicles, except buses or motorcycles—number	85,472	89,701	91,256	88,543	89,120	88,813
Clothing, except fur clothing				32,967	36,330	36,507
Scientific, medical, optical, measuring, and controlling instruments and apparatus	1,518	1,750	1,906	18,738	21,205	23,743
Other merchandise				630,925	680,548	755,303

Table V.—Imports of Selected Commodities, by Principal Countries of Origin, 1954–55

Commodity and country	Quantity (metric tons, except as indicated)		Value (thousands of dollars)	
	1954	1955	1954	1955
Imports, total			1,775,946	1,997,155
Fruits and nuts, fresh, excluding oilnuts, total	222,724	233,473	51,332	53,580
Italy	55,142	57,464	13,801	14,675
Spain	62,533	52,795	12,513	10,169
Australia	15,860	15,735	4,246	3,997
Union of South Africa	15,446	15,940	3,537	3,637
Ecuador	2,942	20,228	397	3,140
Other countries	70,801	71,311	16,838	17,962
Coffee, not roasted, total	48,097	53,071	81,553	74,207
Brazil	32,330	36,389	55,741	49,863
Colombia	6,806	8,006	11,504	11,932
Other countries	8,961	8,676	14,308	12,412
Coal, total 1,000 metric tons	3,023	3,190	47,187	58,912
Poland do	1,015	876	16,130	18,134
United Kingdom do	1,102	1,007	16,981	17,056
United States do	383	545	5,658	10,072
Other countries do	523	762	8,418	13,650
Coke, excluding petroleum coke, total do	2,006	2,513	39,412	53,380
Germany, Federal Republic of do	1,435	1,723	28,496	37,345
Netherlands do	423	438	8,347	9,342
Other countries do	148	352	2,569	6,693
Petroleum, crude, total do	1,740	1,889	36,926	40,425
Saudi Arabia do	470	655	9,945	14,031
Kuwait do	665	453	13,834	9,212
Venezuela do	260	296	5,277	6,376
Other countries do	345	485	7,870	10,806
Gasoline, total do	842	925	38,184	41,465
Netherlands do	282	288	12,271	12,869
Curacao do	116	173	5,433	7,696
France do	186	128	8,376	5,566
United Kingdom do	45	96	2,234	4,390
Other countries do	213	240	9,870	10,944
Gas oil, diesel oil, and other fuel oils, total do	3,419	4,806	85,194	124,270
Netherlands do	804	1,008	20,445	26,812
Venezuela do	421	669	12,433	19,149
United Kingdom do	365	612	8,390	14,722
U. S. S. R do	608	595	13,649	14,565
Bahrein Islands do	44	373	1,432	8,097
Other countries do	1,177	1,549	28,845	40,925
Textile fabrics of standard type, other than cotton, total	9,639	10,526	48,886	47,060
Germany, Federal Republic of	3,232	3,444	13,900	13,290
United Kingdom	1,489	1,511	10,334	9,677
Italy	1,024	1,133	5,056	4,923
France	419	452	4,158	4,175
Other countries	3,475	3,936	15,438	14,995
Iron and steel universals, plates, and sheets, uncoated, total	357,910	443,328	45,337	61,414
Belgium-Luxembourg	125,056	138,485	15,148	18,306
United Kingdom	42,730	97,573	6,273	12,720
Germany, Federal Republic of	84,255	87,198	9,707	10,011
Other countries	105,869	120,072	14,209	20,377
Iron and steel, other, total	504,890	567,614	57,386	72,768
Germany, Federal Republic of	157,026	169,385	18,195	23,108
Belgium-Luxembourg	125,713	124,608	13,080	14,131
France	65,473	85,383	8,149	11,412
Other countries	156,678	188,238	17,962	24,117

Table V.—Imports of Selected Commodities, by Principal Countries of Origin, 1954–55—Continued

Commodity and country	Quantity (metric tons, except as indicated)		Value (thousands of dollars)	
	1954	1955	1954	1955
Copper, total	58, 727	50, 721	39, 749	43, 404
Belgium-Luxembourg	15, 739	18, 876	10, 725	15, 235
Northern Rhodesia	21, 568	15, 341	14, 369	14, 247
Germany, Federal Republic of	9, 247	7, 340	6, 279	6, 157
Other countries	12, 173	9, 164	8, 376	7, 765
Machinery, nonelectric, total	113, 153	117, 140	144, 158	163, 703
Germany, Federal Republic of	39, 525	41, 022	50, 945	54, 979
United Kingdom	37, 530	33, 784	41, 175	43, 917
United States	13, 291	15, 879	24, 257	33, 056
Other countries	22, 807	26, 455	27, 781	31, 751
Electric machinery, apparatus, and appliances, total	31, 574	36, 574	64, 296	76, 555
Germany, Federal Republic of	17, 813	21, 021	28, 928	35, 627
United Kingdom	3, 308	3, 859	9, 536	10, 375
Netherlands	2, 533	2, 387	8, 909	10, 241
Other countries	7, 920	9, 307	16, 923	19, 312
Passenger road motor vehicles, except buses or motorcycles, total—number	85, 472	89, 701	88, 543	89, 120
Germany, Federal Republic of—do	32, 252	58, 120	32, 195	53, 392
United Kingdom—do	30, 804	17, 057	29, 924	16, 212
United States—do	2, 589	4, 547	5, 520	9, 401
Other countries—do	19, 827	9, 977	20, 904	10, 115

Table VI.—Exports of Principal Commodities, 1954–56

Commodity	Quantity (metric tons, except as indicated)			Value (thousands of dollars)		
	1954	1955	1956	1954	1955	1956
Exports, total				1, 583, 453	1, 725, 795	1, 941, 119
Butter	13, 092	3, 693	16, 803	13, 614	3, 982	17, 903
Wheat	380, 418	161, 462	145, 619	25, 998	12, 172	11, 844
Fur skins, undressed	69	79	85	7, 117	9, 523	10, 055
Pulpwood—1,000 cu. meters	581	1, 051	713	7, 833	15, 631	10, 835
Lumber, conifer, sawn, planed, grooved, or tongued—1,000 cu. meters [1]	4, 252	4, 867	4, 613	182, 350	215, 512	196, 965
Mechanical woodpulp—1,000 metric tons [2]	358	385	432	23, 732	26, 054	32, 027
Chemical woodpulp, sulfite—do [2]	1, 119	1, 149	1, 226	159, 120	171, 219	185, 312
Chemical woodpulp, other—do [2]	752	769	889	95, 803	102, 782	120, 330
Iron ore and concentrates 1,000 metric tons	14, 221	15, 814	17, 459	141, 129	158, 282	190, 281
Inorganic chemicals	74, 432	93, 574	79, 346	9, 947	11, 075	13, 519
Wood fiberboard	213, 285	260, 151	299, 753	19, 372	24, 238	26, 636
Newsprint	184, 524	196, 729	246, 346	23, 894	27, 282	36, 719
Printing and writing paper in rolls and sheets, other than newsprint	33, 237	33, 417	674, 911	8, 651	8, 878	138, 302
Paper and paperboard, other	553, 744	596, 003		101, 633	115, 794	
Iron and steel joists, girders, angles, shapes, sections, bars, and concrete reinforcement rounds	39, 923	63, 624	157, 900	10, 464	15, 728	30, 234
Iron and steel plates, stainless	8, 304	9, 011	10, 980	8, 597	10, 064	13, 505
Iron and steel hoop and strip	15, 736	17, 869	23, 228	10, 501	12, 072	15, 873
Iron and steel wire rods and wire, except barbed wire	38, 472	59, 783	68, 129	12, 557	17, 919	21, 083
Steel tubes and fittings, welded or drawn	39, 940	43, 253	54, 893	13, 713	16, 869	22, 445
Iron and steel, other	137, 168	179, 877	159, 446	17, 054	22, 535	26, 273
Copper, unwrought	18, 427	14, 107	14, 342	13, 215	12, 845	13, 731
Copper wire with minimum diameter 0.5 mm	19, 802	20, 292	15, 939	14, 169	17, 095	15, 367
Projectiles and ammunition, except hunting or sporting ammunition	2, 586	3, 264	[3]	8, 857	9, 883	[3]
Handtools and tools for machines	8, 898	10, 303	66, 241	18, 576	21, 666	71, 719
Metal manufactures, other, except ordnance	43, 848	44, 229		35, 955	39, 289	

For footnotes, see end of table.

Table VI.—Exports of Principal Commodities, 1954–56—Continued

Commodity	Quantity (metric tons, except as indicated)			Value (thousands of dollars)		
	1954	1955	1956	1954	1955	1956
Internal combustion, diesel, and semi-diesel engines, other than aircraft engines	5,638	6,293	8,517	11,214	11,947	14,926
Power-generating machinery, other, except electric	6,006	5,958	7,369	9,871	9,936	11,198
Agricultural machinery and implements	12,815	11,411	10,894	13,441	13,382	14,125
Calculating machines	955	1,052	[3]	11,244	12,520	[4]
Metalworking machinery	6,997	8,321	11,402	11,953	12,414	17,266
Conveying, hoisting, excavating, road construction, and mining machinery	7,460	6,832	9,013	9,614	8,605	11,345
Ball and roller bearings and parts	9,238	11,318	12,618	22,134	25,299	29,191
Nonelectric machinery, other	39,022	43,613	53,350	73,665	81,092	120,803
Electric generators, alternators, motors, converters, transformers, and switchgear	8,886	9,555	10,229	15,957	15,530	17,507
Telegraph and telephone apparatus, except for radio and television				19,404	19,309	26,503
Electric machinery, apparatus, and appliances, other				27,006	26,780	29,746
Chassis for motor vehicles—number	3,770	4,653	4,649	14,750	17,523	17,520
Road motor vehicles and parts, other, except motorcycles				11,282	16,966	31,394
Motorships (except fishing boats), cargo, net capacity over 40 registered tons						
number	68	55	[3]	105,757	90,199	[3]
Matches	14,987	16,199	18,565	7,968	8,237	9,323
Other merchandise				234,342	257,667	369,314

[1] Solid measure.
[2] Air-dry weight.
[3] Not available.
[4] Included in nonelectric machinery, other.

Table VII.—Exports of Selected Commodities, by Principal Countries of Consumption, 1954–55

Commodity and country	Quantity (metric tons, except as indicated)		Value (thousands of dollars)	
	1954	1955	1954	1955
Exports, total			1,583,453	1,725,795
Wheat, total	380,418	161,462	25,998	12,172
Germany, Federal Republic of	236,835	83,381	15,658	5,965
Poland	14,975	31,736	1,050	2,545
Hungary	60,524	30,645	4,324	2,344
Denmark	54,623	11,362	3,809	840
Other countries	13,461	4,338	1,157	478
Lumber, conifer, sawn, planed, grooved, or tongued, total 1,000 cu. meters [1]	4,252	4,867	182,350	215,512
United Kingdom do.[1]	1,681	2,088	70,039	88,789
Netherlands do.[1]	722	751	29,871	31,930
Germany, Federal Republic of do.[1]	543	651	25,548	30,608
Denmark do.[1]	550	437	21,906	18,694
Other countries do.[1]	756	940	34,986	45,491
Mechanical woodpulp, total 1,000 metric tons [2]	358	385	23,732	26,054
United Kingdom do.[2]	218	240	14,348	15,942
Netherlands do.[2]	34	43	2,309	2,885
France do.[2]	27	33	1,771	2,263
Other countries do.[2]	79	69	5,304	4,964
Chemical woodpulp, total do.[2]	1,871	1,918	254,923	274,001
United Kingdom do.[2]	515	562	68,326	78,124
France do.[2]	217	240	31,597	35,393
Germany, Federal Republic of do.[2]	201	217	26,858	30,196
Italy do.[2]	156	149	23,223	23,100
United States do.[2]	187	166	23,367	21,780
Other Countries do.[2]	595	584	81,552	85,408

[1] Solid measure.
[2] Air-dry weight.

Table VII.—Exports of Selected Commodities, by Principal Countries of Consumption, 1954–55—Continued

Commodity and country	Quantity (metric tons, except as indicated)		Value (thousands of dollars)	
	1954	1955	1954	1955
Iron ore and iron concentrates, total 1,000 metric tons	14,221	15,814	141,129	158,282
Germany, Federal Republic of do	4,892	6,574	46,195	[3] 62,600
United Kingdom do	4,277	4,133	47,246	[3] 45,500
Belgium-Luxembourg do	2,310	2,471	20,603	[3] 22,100
United States do	1,579	1,223	13,432	[3] 11,800
Other countries do	1,163	1,413	13,653	[3] 16,282
Wood fiberboard, total	213,285	260,151	19,372	24,238
United Kingdom	92,082	116,491	8,425	10,812
Netherlands	28,743	32,057	2,335	2,810
United States	14,637	19,136	1,297	1,709
Other countries	77,823	92,467	7,315	8,907
Newsprint, total	184,524	196,729	23,894	27,282
United Kingdom	36,756	48,936	4,552	6,422
Brazil	28,846	27,872	3,954	4,138
Denmark	20,324	22,877	2,425	2,937
Australia	18,309	15,708	2,393	2,168
France	11,477	15,668	1,470	2,121
Other countries	68,812	65,668	9,100	9,496
Paper and paperboard, other, total	586,981	629,420	110,284	124,672
United Kingdom	147,316	174,884	26,901	33,644
Germany, Federal Republic of	55,823	66,662	9,201	11,657
Netherlands	55,770	57,780	10,029	11,020
Belgium-Luxembourg	41,013	43,524	6,937	7,732
Denmark	41,470	38,367	7,757	7,541
Australia	29,804	25,755	6,763	6,456
Other countries	215,785	222,448	42,696	46,622
Iron and steel, total	279,544	373,417	72,886	95,187
Germany, Federal Republic of	35,604	68,635	8,328	15,135
United Kingdom	39,803	36,973	7,328	10,619
United States	26,576	37,708	7,094	9,518
Norway	21,394	28,287	5,024	6,885
France	15,153	20,039	5,027	6,200
Brazil	16,981	3,691	5,155	2,346
Other countries	124,033	178,084	34,930	44,484
Ball and roller bearings and parts, total	9,238	11,318	22,134	25,299
Netherlands	739	988	1,710	2,093
Brazil	634	740	2,203	1,838
Belgium-Luxembourg	664	939	1,270	1,762
Australia	302	516	777	1,394
Denmark	489	526	1,225	1,346
Canada	612	799	951	1,277
Finland	631	492	1,423	1,168
Switzerland	328	500	705	1,134
United Kingdom	507	584	973	1,108
Argentina	317	125	1,234	411
Other countries	4,015	5,109	9,663	11,768
Nonelectric machinery, other, total	78,893	83,480	141,002	149,896
Norway	14,059	14,792	19,322	19,785
France	4,558	5,502	9,040	11,442
Finland	5,136	5,504	8,607	10,573
United Kingdom	3,853	4,179	7,077	9,009
United States	2,507	3,384	7,690	8,998
Germany, Federal Republic of	2,897	4,073	6,198	8,716
Denmark	6,660	6,686	8,869	8,184
U. S. S. R.	4,454	710	7,458	1,139
Other countries	34,769	38,650	66,741	72,050
Telegraph and telephone apparatus, except for radio and television, total			19,404	19,309
Colombia			2,056	3,071
Denmark			1,344	2,367
Finland			776	1,432
Poland			1,317	1,173
Turkey			582	1,164
Mexico			3,879	1,123
Argentina			1,675	187
Other countries			7,775	8,792

[3] Estimated value.

Table VII.—Exports of Selected Commodities, by Principal Countries of Consumption, 1954–55—Continued

Commodity and country	Quantity (metric tons, except as indicated)		Value (thousands of dollars)	
	1954	1955	1954	1955
Electric machinery, apparatus, and appliances, other, total			42,963	42,310
Norway			5,648	5,769
Denmark			2,663	2,548
Finland			2,176	2,118
Netherlands			1,956	1,790
Spain			1,817	1,727
United Kingdom			1,234	1,671
Germany, Federal Republic of			859	1,522
Belgium-Luxembourg			1,013	1,348
Mexico			1,517	1,343
Brazil			1,577	1,046
U. S. S. R.			1,972	1,103
United States			2,432	672
Other countries			18,099	19,653
Motorships (except fishing boats), cargo, net capacity over 40 registered tons, total—number	68	55	105,757	90,199
Norway—do	36	29	70,809	68,630
United States—do	1	1	2,512	5,139
Liberia—do	3	1	6,814	4,754
France—do	2	(4)	7,467	(4)
Other countries—do	26	24	18,155	11,676

[4] Not reported in source.

Table VIII.—Principal Imports From the United States, 1954–56

Commodity	Quantity (metric tons, except as indicated)			Value (thousands of dollars)		
	1954	1955	1956	1954	1955	1956
Imports, total				139,954	194,977	226,218
Cereals, unmilled	5,899	110,213	140,332	788	6,822	9,748
Citrus fruits, fresh	9,180	7,659	(1)	1,696	1,555	(1)
Dried fruits	10,068	8,270	9,817	4,145	3,464	4,690
Fruits, preserved, and fruit preparations	7,447	14,327	17,643	2,388	4,056	4,859
Tobacco, unmanufactured	5,270	5,414	5,855	9,022	8,935	9,681
Cigarettes—thousands	728,605	614,884	(1)	2,652	2,315	(1)
Crude rubber, including synthetic and reclaimed	476	2,367	5,526	658	1,592	3,327
Cotton, not carded; cotton linters and mill waste	11,388	9,552	6,840	9,595	7,944	4,750
Coal—1,000 tons	383	545		5,658	10,072	16,318
Lubricating oils and greases	30,295	48,503		3,369	4,804	9,870
Petroleum products, other				1,959	1,838	
Chemicals, inorganic	8,979	9,650	11,620	1,894	2,397	2,881
Chemicals, organic	6,697	18,604	13,130	2,268	4,975	5,359
Medicinal and pharmaceutical products	37	64	78	1,057	1,433	2,591
Chemicals, other				5,493	6,980	9,222
Rubber manufactures	337	1,348	381	857	2,194	1,419
Textile yarn and thread	167	161	186	1,412	1,126	1,117
Standard textile fabrics, except cotton	241	484	837	1,387	1,805	3,031
Iron and steel universals, plates, and sheets, uncoated	27,878	36,885	13,410	4,547	8,759	3,672
Tinplate	11,167	12,504	(1)	2,361	2,567	(1)
Copper and alloys, unwrought	5,150	6,325	1,624	3,594	5,462	1,551
Zinc, unwrought	2,926	8,642	5,401	651	2,108	1,459
Manufactures of metals, except ordnance	2,651	1,697	1,646	2,190	3,330	3,707
Power-generating machinery, except electric	1,368	823	803	1,512	1,898	2,360
Tractors, other than steam—number	365	313	1,643	2,083	1,181	2,087
Machine tools for working metals	671	966	637	1,192	2,699	2,055
Conveying, hoisting, excavating, road construction, and mining machinery	3,709	4,244	4,957	4,059	4,890	5,628
Nonelectric machinery, other	5,678	8,907	8,764	15,111	22,388	23,538
Electric machinery, apparatus, and appliances	1,024	1,323	1,229	4,684	6,205	8,425
Passenger road motor vehicles, except buses and motorcycles—number	2,589	4,547	2,823	5,520	9,401	5,942
Bodies, chassis without engines, frames, and other parts for road motor vehicles, except motorcycles (excluding rubber tires)	10,281	12,621	(2)	12,065	14,033	(2)
Road motor vehicles, other				1,320	533	13,971
Aircraft and parts				4,281	2,643	13,221
Scientific, medical, optical, measuring, and controlling instruments and apparatus	107	155	165	2,090	2,718	3,491
Other merchandise				16,096	29,855	46,248

[1] Not available.
[2] Included in road motor vehicles, other.

Table IX.—Principal Exports to the United States, 1954–56

Commodity	Quantity (metric tons, except as indicated)			Value (thousands of dollars)		
	1954	1955	1956	1954	1955	1956
Exports, total				73,686	84,969	99,672
Fur skins, undressed	10	20	30	898	2,921	3,852
Chemical wood pulp	[1] 187,190	[1] 166,136	[1] 188,081	23,367	21,780	25,551
Unspun artificial silk fiber and other synthetic textile fibers and waste, except nylon	488	3,836	[2]	238	2,066	[2]
Iron ore and concentrates	1,579	1,223	[2]	13,432	[3] 11,800	[3] 11,700
Wood fiberboard	14,637	19,136	[2]	1,297	1,709	[2]
Paper and paperboard	10,524	6,552	26,654	1,445	1,059	4,882
Lime, cement, and fabricated building materials	4,656	86,345	44,433	127	1,058	655
Glassware	603	591	685	934	997	1,239
Pig iron and sponge iron	10,815	11,528	11,125	1,189	1,181	1,064
Iron and steel joists, girders, angles, shapes, sections, bars, and concrete reinforcement rounds	2,113	5,064	10,112	813	1,275	2,158
Iron or steel hoop and strip	2,161	2,427	3,619	2,171	2,233	3,534
Iron and steel wire rods and wire	8,362	14,866	14,257	1,924	3,507	3,510
Iron and steel, other	3,125	3,823	7,177	997	1,322	1,914
Copper and alloys, unwrought		1,506	128		1,491	139
Copper and alloys, worked	161	50	951	132	50	1,120
Metal manufactures, except ordnance	2,855	4,406	4,828	3,225	4,472	5,159
Office machinery	281	347	465	2,746	3,373	4,579
Metalworking machinery	900	1,006	1,368	2,178	1,310	1,913
Ball and roller bearings and parts	199	528	[4]	447	924	[4]
Nonelectric machinery, other	1,326	2,031	2,489	2,766	4,315	5,613
Electric machinery, apparatus, and appliances	157	228	307	2,469	1,167	1,750
Passenger cars, number	2	28	3,493	3	34	3,865
Motorships (except fishing boats), cargo, net capacity over 40 registered tons number	1	1	[2]	2,512	5,139	[2]
Furniture and fixtures	508	668	827	619	870	1,136
Scientific, medical, optical, and controlling instruments	18	28	28	576	837	906
Other merchandise				7,181	8,079	13,433

[1] Air-dry weight.
[2] Not available in source.
[3] Estimated value.
[4] Included in nonelectric machinery, other.

APPENDIX B

Foreign Company Law of Sweden

Following is an unofficial translation [1] of law No. 383 of June 3, 1955, effective January 1, 1956, governing the right of foreign companies to carry on business in Sweden through branch establishments; and Royal Decree No. 387 of June 3, 1955.

Right of Foreign Companies and Associations To Carry on Business in Sweden, Law No. 383 of June 3, 1955, Effective January 1, 1956

General Provisions

Paragraph 1

Foreign enterprises which are organized and registered as companies or economic associations under the laws of their home country, and which carry on business upon authorization from the King-in-Council, may carry on business in the kingdom through a branch office with an independent administration and in general under conditions prescribed in this law or otherwise in (other) laws or decrees. The King-in-Council may circumscribe the authorization with special conditions and terms. The authorization may be rescinded where there is reason to do so.

Paragraph 2

The branch establishment shall be under the management of a managing director. In addition a vice managing director may be

[1] This unofficial translation of the original law and decree is belived to be correct but no responsibility is assumed by the U. S. Department of Commerce as to its correctness.

appointed. The same provisions of this law applying to a managing director shall in appropriate parts apply to the vice managing director.

Paragraph 3

The managing director shall be legally competent and in residence in the kingdom (Sweden).

Paragraph 4

The foreign enterprise shall follow the regulations laid down in Swedish laws and decrees in all that concerns its branch establishment. In all the legal situations arising from business operations of the branch in the kingdom it shall be subject to Swedish law and at the same time it shall be incumbent upon it to obey summons from Swedish courts of law and to be subject to decisions made by a Swedish authority.

Paragraph 5

The foreign enterprise shall issue a power of attorney authorizing the managing director of the branch establishment to act on behalf of the enterprise in all legal relationships arising from operations of the branch in the kingdom and accept a writ served on the enterprise and either in person or through another (party) plead or offer defense.

Application for a Permit

Paragraph 6

An application for a permit under the provisions of this law shall contain the following information:

1. The business of the foreign enterprise and the branch (subsidiary).
2. Place in which the branch office is to be located.
3. Full name, citizenship, and place of residence of the managing director.
4. In case the foreign enterprise is a corporation, the amount of the capital stock of the enterprise and, in the event the whole of the capital stock has not been paid in, how much of the capital stock has been paid in.

With the application, which shall be submitted to the Provincial Council (in the Province in which the office is to be located), the following information shall be supplied:

1. Evidence that the foreign enterprise has been properly organized and registered and also that it is carrying on business in its home country.
2. A copy of the foreign enterprise's articles of incorporation, by-laws, or corresponding basic principles applying to the enterprise.

3. A copy of the foreign enterprise's statement of accounts for the 3 most recent financial years insofar as these documents have been made public in the homeland of the enterprise.
4. Evidence that the managing director of the branch is legally competent and is resident in Sweden.
5. A (statement) of obligation that the foreign enterprise will observe this law and other Swedish laws and decrees in all matters affecting the branch (subsidiary).
6. A power of attorney as required by the provisions of paragraph 5.
7. A substantial guaranty or other acceptable security for the payment of national and municipal taxes for a period of 3 years.

Paragraph 7

When the complete application (with accompanying documents) has been received, the Provincial Council will forward these documents to the King-in-Council along with its own comments.

Provisions About the Firm, Registration, Statement of Accounts

Paragraph 8

The activities of the foreign enterprise carried on through the branch located in the kingdom shall be carried on through a firm which bears the name of the enterprise with the addition of the word "filial" (branch) and with a clear indication of the nationality of the enterprise. The firm shall be clearly distinguished from other firms which are already included in the corporation register or the register mentioned under paragraph 15 and which firms are still in existence.
The managing director shall be authorized to sign on behalf of the firm either alone or jointly with another.

Paragraph 9

Before the branch starts business an application for registration must be presented to the registration authorities mentioned under paragraph 15. Regulations governing the details which the application must contain and the documents which must accompany the application are given by the King-in-Council. If changes are made to statements submitted earlier for registration purposes, an immediate report must be made about such amendments to the registered statements.
It is the responsibility of the managing director to give notice of such amendments as required by the first part (of this paragraph).

Paragraph 10

Registration may be denied if requirements for applying for registration or for submitting supporting documents (with the applica-

tion) have not been observed or if for any other reason the registration is found to conflict with any provision of this law or with any other (Swedish) law or decree.

If registration is denied, the registration authority must immediately notify the foreign enterprise by post of such a decision and give reasons therefor. If the enterprise is dissatisfied with the decision it may appeal to the King-in-Council within 2 months from the date of the decision.

Paragraph 11

The branch shall keep its own books which shall be entirely separate from the rest of the accounts of the foreign parent enterprise.

Legal provisions governing the bookkeeping and the statement of accounts of Swedish companies or Swedish economic associations shall also apply, where relevant, to the branch establishment.

The managing director's administration and the branch's accounts shall be examined by an authorized Swedish public accountant. It is the responsibility of the managing director to see to it that such an accountant is appointed and that the accounts are submitted to him for examination within 3 months after the end of the fiscal year.

Further, it is incumbent upon the managing director to send in to the registration authorities annually, within 3 months after the foreign parent enterprise's financial report and auditors' report have been placed before the stockholders, copies of the branch's financial report and auditor's report covering the past fiscal year and corresponding documents for the enterprise as a whole, insofar as such documents have been made public in the home country of the parent enterprise.

Paragraph 12

The security guaranteeing the payment of national and municipal taxes shall be renewed with the Provincial Council every 3 years.

Paragraph 13

The branch shall be taken off the register upon notification—

1. If the foreign parent enterprise is liquidated or goes into bankruptcy or if its operations or those of the branch are otherwise terminated under the laws of the parent enterprise's home country;
2. If for any other reason the activities of the foreign parent enterprise or the branch are to terminate in accordance with a decision of the enterprise;
3. If the branch lacks a qualified managing director and the position is not filled promptly;
4. If security for payment of taxes is not deposited in the manner required by paragraph 12 and failure to do so is not remedied without delay; and
5. If in an attempt to levy a distress action against assets of the enterprise in the kingdom for claims arising from the activities of the branch, the creditor fails to obtain full payment and the claim is not settled later.

It is the responsibility of the managing director to give notice of conditions referred to under sections 1 and 2. The notice of such conditions may also be made by another authorized representative of the foreign parent enterprise. In the other cases referred to under sections 3 through 5, notice should be given by parties whose rights are affected.

The registration authority may remove the branch from the register without any special notice if it transpires that the foreign parent enterprise or the branch has ceased to carry on its activities or if conditions exist as set forth under section 3.

To liquidate the activities of the branch a period of grace may be granted for removal from the register. A notice to this effect shall be carried in the register. During the period of liquidation the firm shall carry with its official signature the words "under liquidation."

Paragraph 14

If the branch is removed from the register the right of the foreign parent enterprise to carry on business through the branch in the kingdom ceases.

In regard to any decision to remove the branch from the register, as well as any decision affecting the period of grace relating to such a removal from the register, there shall be applied the provisions of the second section of paragraph 10 as it affects the corresponding condition.

Paragraph 15

The registration authority for branch establishments shall be the Patent and Registration Office or such other authority as the King-in-Council may decree. This authority shall maintain a branch register for the entry of the information required by this law for making any application for registration or which is otherwise required for entry on the register.

The registration authority is required to give notice promptly through the public press concerning information which is entered on the branch registry.

More specific regulations governing the branch registry as required under the second section (of this paragraph), as well as regarding fees and publication of notice will be issued by the King-in-Council.

Paragraph 16

The information which has been entered on the branch registry and published in the public press in accordance with this law shall have been deemed to have come to a third party's notice unless, from attendant circumstances, he neither had nor could have had knowledge thereof.

Before such a publication has taken place, the conditions which have or ought to have been included in the registry may not legally be used against another party other than one who is shown to have knowledge thereof.

Paragraph 17

If the firm registered on the branch registry shows a similarity to one carried on the trade registry, association registry, or corporation registry, or to a firm entered earlier on the branch registry, and, if the owner of the last-named firm suffers injury, he has the right to bring suit in court to prohibit the use of the firm name by the foreign enterprise after a certain time and also for damages.

If anyone believes that an entry in the branch registry otherwise causes him damage, he may bring suit in the court for a cancellation of the registration and for damages.

Penalties

Paragraph 18

If any foreign company or economic association carries on business in the kingdom without proper authorization, the party carrying on such business activity for the account of the company or association will be subject to a fine.

Paragraph 19

The managing director is subject to a fine if he fails to carry out the proper notification requirements stipulated for him under paragraphs 9 or 13.

If the documents required under the fourth section of paragraph 11 have not been submitted to the registration authority within the prescribed time, the public prosecutor has the authority to constrain the managing director, on threat of penalty through prosecution, to fulfill his responsibility.

Paragraph 20

A fine or imprisonment for a maximum period of 6 months may be imposed on the party who intentionally or through gross neglect submits incorrect or misleading information in the application for registration under provisions of this law or in reports submitted to the registration authorities or in documents which accompany the application or report or in connection with what otherwise is required by law to be provided the authority in question; on the auditor who in the audit report intentionally or through gross neglect submits incorrect or misleading information concerning the branch establishment's affairs or intentionally or through gross neglect fails to make observations about the administration, even though there be occasion to do so; also, on the auditor who, regardless of the fact that he recognizes or ought to recognize that injury might result thereof, discloses anything that has come to his knowledge in the course of making the audit, except that it is absolutely required in the discharge of his functions.

Paragraph 21

The conditions for exercising a vocation in specified cases are promulgated in the ordinance of June 18, 1864, concerning expanded vocational freedom (see amended ordinance of June 18, 1864).

Paragraph 22

The King-in-Council has the authority to issue regulations governing application of this law beyond what is stipulated in paragraphs 9 and 15.

This law enters into effect January 1, 1956.

Royal Decree No. 387, of June 3, 1955

Amendment to decree of June 18, 1864 (No. 41 s 1), concerning expanded vocational freedom

The King-in-Council in concert with the Riksdag has seen fit to introduce a new paragraph, designated paragraph No. 32, in the decree of June 18, 1864, concerning expanded vocational freedom. The paragraph shall be as follows:

Paragraph 32

Foreign companies and associations, which have been granted permission to register a branch establishment as ordained by law, may through the branch establishment engage in commerce, manufacturing, handicraft, or other trade activity.

This decree enters into effect January 1, 1956.

APPENDIX C

Food Regulations of Sweden

The basic regulation governing standards of purity and quality of food for sale and distribution in Sweden is Pure Food Law No. 824 of December 21, 1951. This law replaces a series of earlier legislation governing food. Under its provisions, foods are classified as food additives, refreshments intended for consumption, substitutes and fillers, and medicinal products intended to be consumed whose composition and manufacture are not subject to special control under existing pharmaceutical regulations. Grain, sugar beets, and similar vegetable raw materials not generally consumed in the raw state, but which are processed into food, do not come under the provision of Pure Food Law No. 824.

Sanitary Requirements

All materials or substances used in producing or preparing food (and this includes ice and water) must be of such nature, prepared under such conditions or in such amounts, that the finished product may not be injurious to consume or otherwise be unsuitable for human food.

Preservatives and Additives

Only approved preservatives and additives may be contained in food. Approval is not required for substances, other than coloring matter, which have been obtained from animals or plants through drying, heat treating, or soaking in water or by a purely mechanical process; nor is approval necessary for cooking salt, sugars of various kinds, vinegar, ethyl alcohol, or poison-free essences used for flavoring. A list of approved additives is published yearly by the Swedish Board of Trade.

A decree (No. 268) of May 1941 provides that vitamin-enriched food may only be imported and offered for sale after approval has been granted by the Swedish Board of Trade (Kommerskollegium). Under this decree vitamin-enriched foods are classed as foods which

have had their vitamin content added or increased through additives, ultra-violet ray, or other artificial treatment.

Products containing more than 3 milligrams of lead per kilogram may be offered for sale only on approval by the Board of Trade.

Colors, Artificial Sweeteners

In general, only coloring matter approved by the Board of Trade may be used in foods offered for sale in Sweden.

Artificial sweeteners are considered as additives and have to be approved by the Board of Trade.

Containers

Food may not be offered for sale when the immediate packing consists of paper or other material which is dyed, painted, glazed, or printed with a poisonous pigment or otherwise treated with a poisonous substance, or in foil, of other metal than aluminum or tin or tinfoil, in which the lead content is greater than 1 gram per 100 grams. Tea in the original packing is not included under this prohibition.

Special Regulations

Meat and Meat Products

Meat, blood, and other edible parts of warm-blooded animals and food prepared from such meat, blood, and edible parts may be offered for sale as human food from animals which have been properly slaughtered and which are considered safe and suitable for human consumption.

Meat and meat products may not contain coloring matter.

Sausages may be produced only from meat and meat products unless otherwise indicated in the name. The water content of sausages may not exceed 65 grams per 100 grams of the finished product.

As a binder or filler for sausages there may be used blood plasma, potato meal, or milk and milk powder up to a maximum of 4 grams dry substance per 100 grams of the weight of the sausage. The State Agricultural Board may grant exceptions to this regulation. In such cases the nature and content of the filler must be set forth on the sausage or its label when offered for sale.

The water content of blood pudding may not exceed 50 grams per 100 grams of the finished product.

Meat or meat products which come wholly or in part from animals other than cattle, horses, sheep, or swine must show clearly in the name the species of the animal from which the meat or meat products originate.

Animal Fats and Oils

Lard must be the rendered fat of swine and may contain a maximum of 1 gram of free fatty acids calculated as oleic acid and a

maximum of 0.2 gram of water and foreign matter per 100 grams of the product.

Refined tallow is to consist of rendered fat of cattle which may contain the same amount of free fatty acids and water as lard.

Dairy Products

Milk, butter, and cheese.—Only natural milk and natural butter may be sold as milk and butter.

It is unlawful to sell milk or cream to which coloring has been added, to which substances not approved as additives for milk have been added, or to which water has been added.

Sterilized milk or cream free from living microorganisms may be sold only in sealed containers. Cream must contain at least 12 grams of butterfat per 100 grams. Heavy cream, whipping cream or similar cream indicating heavy fat content must contain a minimum of 40 grams of butterfat per 100 grams or in certain cases 35 grams per 100 grams as determined by the State Agricultural Board.

Market butter must contain a minimum of 82 grams of butterfat per 100 grams. The water content of such butter may not exceed 16 grams per 100 grams. Butter may be produced only from such milk or cream as meets the standards set with respect to suitability for human consumption. In addition to salt, the only substances which may be added to the butter are those approved by the Board of Trade as an additive to butter.

Milk powder must be produced from milk of satisfactory hygienic quality and may contain only approved additives. Milk powder to be sold under the designation whole milk powder or a similar name indicating a high fat content must contain a minimum fat content of 24 grams per 100 grams of dry substance. Milk powder containing a higher fat content than 1.5 grams per 100 grams may be sold only in sealed containers on which the fat content is given, and at the time of packing may contain only a maximum of 5 grams of water per 100 grams. Other milk powder than that described above may be sold only under the name "skim milk powder" or similar designation indicating that the product is made of skim milk.

Condensed milk or cream must be produced from milk or cream of satisfactory hygienic quality and, except for sugars, may contain only approved additives. Condensed milk sold under the designation "concentrated whole milk" or a similar name indicating an especially high fat content must contain a minimum of 7 grams per 100 grams. Condensed milk with a fat content higher than 1 gram per 100 grams of the finished product and condensed cream may be sold only in sealed containers on which the fat content is given. The container must bear a notation indicating whether or not the contents have been sweetened.

Other condensed milk may be sold under the designation "concentrated skim milk" or similar designation indicating that the product has been produced from skim milk.

Cheese sold in Sweden must be provided with a mark of origin and an indication of the fat content, and, for cheese other than soft and semisoft, a date mark. This mark may be placed on the cheese or on the container in which it is offered for retail sale. The mark of origin must consist of a number issued to the manufacturer or importer by the State Agricultural Board. Imported cheese must be marked

with the word "Import." Cheese having a fat content of less than 10 grams per 100 grams dry substance must bear the fat-content designation SK, while cheese with a higher fat content must bear the designation 10+, 20+, 30+, 40+, 45+, 50+, or 60+, as an indication that the cheese in dry form contains at least that percentage of fat.

Cheese that has had its surface wholly or partly colored may be sold only on approval from the State Agricultural Board.

Eggs and powdered eggs.—Eggs of fowl other than domesticated hens may be sold as food only under the designation which indicates that the eggs originate from other species of fowl than domesticated hens.

Eggs may only be imported and sold on the condition that they be marked with the word "Import" or the abbreviation "Imp." together with the name of the country in which they were produced. Exceptions to this regulation may be granted by the State Agricultural Board.

Powdered eggs may consist of powdered egg yolk with or without the egg white. Powdered eggs originating from fowl other than domesticated hens must be so designated. This same requirement applies to the following designations: Powdered egg whites, powdered egg yolk, liquid egg yolks, and frozen egg mass.

Special regulations govern the marking of storage and preserved eggs.

Ice Cream

Ice cream may not be offered for sale unless the completed ice cream mix has been pasteurized in accordance with the instructions issued by the Veterinary Board. Refrozen ice cream may not be sold. Ice cream (full strength) must contain a minimum of 12 grams of butterfat per 100 grams. Other fats may not be used as a raw material in the manufacture of ice cream (full strength).

Margarine Products

Under the provisions of the Pure Food Law, margarine is considered to be all kinds of butterlike products intended for human consumption which contain fat other than milk fat. These are listed as margarine, margarine cheese, fatty emulsion, and artificial lard. Margarine for sale must contain at least 82 grams of fat per 100 grams and a minimum of 0.2 gram of potato starch per 100 grams in the finished product. The water content of margarine may not exceed 16 grams per 100 grams. Margarine sold in containers must bear the word "Margarine" on the sides of the package. Margarine sold in stocks or squares must carry a label with red letters bearing the word "Margarine." Margarine of foreign manufacture, in addition to carrying the word "Margarine" on the package or label, must also bear the word "Utlandsk." Margarine cheese and fatty emulsion must also meet established content and marking requirements. Imported products must bear the word "Utlandsk."

Artificial lard must be marked with the word "Konstister" in place of margarine.

Margarine products offered for sale may not bear any word, such as butter, cream, milk, dairy, cow, or farm in the trademark, except for the words "margarine cheese" and "artificial lard," that would associate the product with dairying, nor may the name of the producer contain any of the forbidden words or designations. All documents relating to margarine products, such as invoices and delivery contracts, must clearly indicate the character of the product. The same requirement applies to margarine products of foreign manufacture.

Flour and Bread

Flour of grain offered for sale may not be treated with coloring matter, fats, oils, glucose, or similar material and, per each 100 grams of flour, may contain a maximum of 0.1 gram of poisonous plant parts and a maximum of 0.5 gram of plant parts other than those originating from grain. Classified as grain are the ripe grain of wheat, rye, barley, oats, rice, corn, and buckwheat.

Flour in general may contain as an additive only such foreign matter as is approved by the Board of Trade.

Flour of grain sold under a name in which the name of one or several plant species occurs must be produced of the said species but may contain flour of other cereals than that given in the name up to a maximum of 5 grams of flour per 100 grams.

The sale of bread and other baked goods in which have been used mineral oil or similar material as a raw material in manufacture is prohibited.

Sugar and Honey

Goods offered for sale under the name "sugar" without the addition of a supplementary description may consist only of saccharose, with only an insignificant trace of other matter.

Honey must be pure bee honey. Containers in which imported honey is offered for sale must bear the word "utlandsk."

Juices, Jams, Jellies, Marmalade

Juice, juice concentrate, jams, marmalade, mash, and jelly is to be prepared from berries, fruit, or other plant parts. Fruit or berry must is to be prepared from fruit or berries. If a specific plant name is used in connection with a juice, juice concentrate, jam, marmalade, mash, jelly, or must, then the product is to be produced of such a raw material. Other berry or fruit types may be used as a raw material without appearing in the designation of the product up to a maximum of 15 grams per 100 grams of the raw material's combined weight, sweetening material excluded.

If the plant name does not appear in the designation of the product, then the container in which the produce is offered for sale must give information concerning the berry, fruit, or other plant part used as a raw material in its production. This information must set forth in descending order the amount of each berry, fruit, or plant type that

is found in the total weight of the product. If the share of any berry or fruit type is less than 10 grams per 100 grams of the product's combined weight, sweetening matter excluded, the berry or fruit type must not be stated.

Juice of citrus fruit must contain a minimum of 25 grams of raw juice, and other juice a minimum of 35 grams of raw juice, in 100 grams of the finished product. Raw juice is juice extracted from the raw material by pressing and without the addition of water. If water has been added in the preparation of the raw juice, then its quantity must be subtracted when the raw juice content of the finished product is determined.

Juice or juice concentrate may not have any foreign coloring and flavoring matter added. Containers in which juice concentrates are offered for sale must bear an indication of the degree of concentration.

Jams, jelly, marmalades, and mash of citrus fruit must contain a minimum of 25 grams, per 100 grams of the finished product, of berries or fruit as a raw material.

Jams, marmalade, and mash of raw material other than citrus fruit must contain a minimum of 30 grams, per 100 grams of the finished product, of berries, fruit, or other plant parts as a raw material.

If water, fiber, or other components have been removed from the preparation and have no value as an ingredient of the finished product, these may be included when determining the raw material weight of the finished product.

If dried berries and fruit have been used to a considerable extent in the preparation of a jam, marmalade, mash, or jelly, then the container in which the product is offered for sale must be marked with the words "tillverkad av torkade bar" or "tillverkad av torkad frukt" (manufactured from dried berries or manufactured from dried fruit).

Food products which are intended for use as juice concentrate, fruit or berry must, jam, marmalade (loose), mash, or jelly, but which do not meet the requirements established for products so designated on the label, may not be offered for sale in containers on which appear pictures of berries or fruit or bear the words "bar" (berries) or "frukt" (fruit) or any combination of such words. However, it is allowed to use words such as "med frukt-smak" (with a fruit flavor), "med citron-smak" (with a lemon flavor), "citrontyp" (lemon type). This regulation applies also to other plant parts which are used for such products.

Sealed containers of berries, fruit, or vegetables with syrup may bear the actual weight of the berries, fruit, or vegetables instead of the total weight of the contents.

Hermetically sealed containers of dried fruit, dried berries, or dried vegetables must bear the words "tillverkad av torkad frukt-torkade bar, torkade gronsaker" (manufactured of dried fruit, dried berries, or dried vegetables) when offered for sale.

When preserved fruit of foreign origin is repacked for sale in Sweden the containers must bear the words "Innehaller i Sverige ompackade fruktkonserver av utlandskt ursprung" (contains imported preserved fruit of foreign origin repacked in Sweden).

Berries or fruit from which essential components have been removed by extraction or a similiar process may not be sold as a food

product. Neither may any product which contains such berries or fruit be sold as a food product.

Mushrooms

Mushrooms in unprepared or dried form may be sold at retail only according to varieties, with the name of the particular variety given on the container or on a placard near the mushrooms.

Preserved mushrooms may be sold only in containers bearing the name of the variety of the mushroom, although a container with more than five varieties of mushrooms may be marked only with the designation "blandsvamp" (mixed mushrooms).

Vinegar

Vinegar must be produced either through the fermentation of an alcoholic liquid or through dilution of acetic acid. The product may not contain coloring matter and must contain a minimum of 3 grams of acetic acid per 100 grams of the finished product.

Wine vinegar (vinaigre, vinager), fruit vinegar, malt vinegar, spirituous vinegar, and other vinegar with a designation of a certain product, and also vinegar spirits, must be produced through fermentation of the product stated in the particular designation given.

Vinegar intended for household use, having an acetic acid content greater than 15 grams per 100 grams, must be packed and marked in accordance with the regulations set forth in the poison law.

Vinegar produced wholly or partly through the dilution of acetic acid, and which acetic acid content is less than 15 grams per 100 grams of vinegar, may be sold only in containers bearing the words "utspadd attika" (diluted vinegar), together with the amount of acetic acid the product contains.

Marking Requirements

The marking of products, casks, bottles, boxes, cartons, or other containers wherein a product is offered for sale must be clear and distinct and readily visible to the eye and be either directly on the product or container or on a label affixed thereto.

Food products packaged for retail sale must bear the following marking:

1. Name of the contents.
2. Name and address of the producer, packer, or seller. If the name is that of a party other than the producer or packer, the name of the individual or firm must be preceded by the words "tillverkad for" (manufactured for), "Forpackad for" (packed for), "distribuerad av" (distributed by), or in similar terms.
3. Total weight of the contents at the time of packing.

Well-known abbreviations of names may be used. The address of a Swedish corporation or prominent firm may be omitted.

If the content of the package consists wholly or principally of a liquid the volume at time of packing may be given instead of the weight.

The weight (total) may not be given as "brutto for netto" ("weight gross for net," which means that the weight may not include weight of packing).

If the food product has been packed abroad it may be marked with the exporter's name and address or the importer's name and address.

These marking requirements do not apply for spirituous beverages, wine, malt beverages, or soft drinks, or for bread, sandwiches, fresh fruit, fresh vegetables, and other fresh food products packed in transparent material, or if the food product is packaged at the place of retail sale, or if the package has a lower content than 100 grams or more than 10 kilograms.

Packaged food products offered for sale, produced with or using saccharine or artificial sweeteners which have a greater degree of sweetness but do not have the same food value as sugar, must bear on the container the words "innehaller konstgjort sotmedel" (contains artificial sweeteners) or "innehaller sackarin" (contains saccharine).

Food products offered for sale in packaged form as particularly suitable for children ("baby food") must indicate the composition of the product with respect to the raw materials and additives used. If the exact amount of each basic material or additive is not stated, then the label must give information concerning the materials or additives in descending order of their amount.

Food products which are subject to a stricter control by another authority than that required by the Swedish authorities in general for such products, and which control is not applied on the basis of a special agreement, may not have this fact indicated on the container or in advertising matter dealing with such a product.

The vitamin, mineral matter, or other food substance content of a food product (which substance does not add significantly to the calorie supply) may be given on the package or in advertisement concerning the product only if the nature and amount of such substance are given. Information concerning the amount does not have to be given for milk, butter, eggs, unprepared or deep-frozen meat or fish products, and fruit, berries, and vegetables in an unprepared or deep-frozen state.

Documentation

For the necessary shipping documents, see chapter III.

Import License

Some meat, certain fish, dairy products, eggs, honey, and fresh fruits and berries are still subject to Swedish import regulations. On the other hand, dried fruit, preserved fruits and berries, preserved soup, cookies, dry cereals, coffee substitutes containing no real coffee, vinegar, and berry and fruit juices may be imported into Sweden without an import license.

Sanitary and Other Documents

Sweden does not require sanitary or quarantine documents for edible fruits and vegetables imported for consumption.

Royal decree No. 434 of June 17, 1955, effective August 1, 1955, requires that meat products and animal fats of warm-blooded animals imported into Sweden must be accompanied by a sanitary certificate from an official authority in the country of origin, or a certificate legalized by a Swedish consul. The certificate must attest to the fact that the product, at the time of exportation, was packed in a sanitary manner and was of such nature and in such condition that it was not considered injurious to consume or otherwise be unsuitable for human consumption.

Duties and Other Charges

Most food products are subject to an import duty. Dried fruits, however, are among the products that may enter Sweden duty free. Information on the rate of duty on items in the Swedish customs tariff may be obtained from the European Division, Bureau of Foreign Commerce, U. S. Department of Commerce, Washington 25, D. C., or from any of the Department's Field Offices.

APPENDIX D

Pharmaceutical Regulations of Sweden

Sweden has strict and exacting regulations governing the importation, manufacture, and sale of pharmaceutical products. Importation of pharmaceutical products may take place only through approved parties, such as drug wholesalers, drug manufacturers, and pharmacists.

Under the authority of the basic Pharmacy Law (No. 308) of November 14, 1913, supervisory control over the manufacture, importation, distribution, and sale of pharmaceutical products was vested in the Swedish Medical Board. Subsequent regulations, particularly the Pharmaceuticals Specialties Decree of June 15, 1934 (No. 306), which made mandatory the registration with the Medical Board of pharmaceutical products and medicines sold in Sweden under the name of pharmaceutical specialties, gave increasing regulatory control over the Swedish pharmaceutical trade to the Medical Board.

Definitions and Pharmacopoeia

Definitions

Pharmaceutical Law No. 308 defines pharmaceutical products (apoteksvara) as articles (simple chemicals or drugs) and preparations used as remedies or in the preparation of remedies (medicines). A remedy (medicine) is defined as an article used either externally or internally to prevent, relieve, or cure diseases or symptoms of diseases of men or animals.

Pharmaceutical products may be distributed to the public only through pharmacies. Certain articles, such as cosmetics, corn-removing preparations, disinfectants (not containing poisons), antiseptic bandages, mineral waters and salts, and health foods not containing other medicinal matter than lecithin or glycerophosphate of sodium or of calcium are not classified as pharmaceutical products.

Pharmaceutical specialties are defined by the Pharmaceutical Specialties Decree of June 15, 1934, as remedies which as a general rule, are not permitted to be sold to an individual consumer elsewhere than at a pharmacy, and which are supplied to the consumer in the package wherein they are delivered by the manufacturer. The following remedies are not considered pharmaceutical specialties:

1. Remedies that do not contain any active substance in a quantity exceeding one one-hundred thousandth part of the weight of the remedy.
2. Remedies prepared by a Swedish pharmacy and sold only by that pharmacy to the individual customer.

However, under special conditions the Medical Board may also declare products classified under exceptions 1 and 2 above as pharmaceutical specialties.

Pharmacopoeia

The officially approved pharmacopoeia is the *Swedish Pharmacopoeia* prepared by the Swedish pharmacopoeia committee appointed by the Swedish Medical Board. The revised 11th edition of the *Swedish Pharmacopoeia* went into effect on July 1, 1947.

Analysis Requirements

Swedish law prescribes that any medicinal preparation sold by pharmacists must have on the container a declaration of the preparation's contents with the exact percentages.

A manufacturer of proprietary medicines and pharmaceutical remedies must submit to the State Pharmaceutical Laboratory in Stockholm a qualitative and quantitative declaration of the formula of each product he intends to offer for sale. No special documents are necessary. The declaration, which may be submitted in English, must contain particulars of indifferent constituents entering into the formula, e. g., dilutents and flavorings. These must be stated qualitatively but not necessarily quantitatively.

For official ingredients, the source of the formula must be stated, such as the U. S. P. The declaration preferably should cover a given quantity of the finished product, such as 100 grams, and, for pills and tablets, the weight of mass required in making a certain number, such as 100. The declaration is submitted and approved and, under established practice, must be incorporated in the label.

Registration and Labeling

Under the provisions of the Swedish decree of June 15, 1934, all pharmaceutical specialties (including those imported) must be approved and registered by the Swedish Medical Board prior to sale in Sweden.

Application for registration must be made by the manufacturer or, when a specialty is produced outside Sweden, by the manufacturer's representative resident in Sweden.

The application must contain the following information:

1. Name or firm name and postal address of the manufacturer and, for specialties produced outside Sweden, the name or firm name and postal address of the representative.
2. Designation (name) of the specialty.
3. Kind or composition of the specialty.
4. Form of preparation of the specialty.
5. Size of packages in which the specialty is to be sold.
6. Price of specialty when sold to a pharmacy.

The kind or composition of the pharmaceutical specialty must be stated in the manner prescribed in section 10 of the Pharmacy Law.

This section provides that when a sale is of a pharmaceutical product (apoteksvara), the kind or composition of the product must be clearly stated (and also incorporated in the label in accordance with established practice):

1. For simple chemicals and drugs, through their scientific name, or through the name given in the *Pharmacopoeia* in force, or in that given in annex I (of the law).
2. For preparations, through the name given in the *Pharmacopoeia* in force, or otherwise recognized by the Medical Board, or through the publication of names and the quantities, as well as the method of preparation, of the materials contained therein.

Upon application there must be submitted:

1. Sample of the text or label on the specialty and also the text of notices, signs, announcements, circulars, prospectuses, price lists, or other communications concerning the specialty wherein the applicant intends to publicize it to a large number of persons.
2. Where a registered trademark is to be used upon sale of the specialty, a copy of the mark and a certificate of its registration.
3. Insofar as the Medical Board does not order otherwise, 2 packages of the specialty or, if it is intended to be sold in different forms of preparation, 2 packages of each form of preparation.
4. The amount of 250 crowns as an application fee.[1]
5. In the case of a specialty produced outside of Sweden, power of attorney for the applicant, individually or through another, to be accountable in all matters concerning the specialty.

Should a registered trademark be used in connection with the sale of a specialty, and if the trademark is not registered when the application is made, a copy of the trademark and a certificate of its registration must be sent to the Medical Board within 1 month of the announcement of the registration.

The package and its opaque wrapping must, at sale, bear the name of the manufacturer and the registry number of the product (in addition to the required formula, which must appear on the label) and, for remedies that deteriorate rapidly, the ultimate date of use.

Fees

A pharmaceutical preparation requiring special analysis is subject to an officially established schedule of fees. These vary with the type of product.

[1] For every kind of preparation (e. g., tablets, ampoules, suppositories) in which the specialty is to be sold.

Advertising

The Swedish Medical Board prohibits the inclusion with a pharmaceutical specialty of advertising matter containing extravagant claims concerning the healing or curative powers of the product, or other laudatory remarks regarding the medicine, which may tend to deceive the consumer. This prohibition applies only to such advertising matter as accompanies the specialty and has no reference to advertising in newspapers or magazines or to other means of announcing the qualities of the medicine (*Medical Board Circular* of March 27, 1924).

In 1941 a board was formed to control and check incorrect and misleading advertising of medicinal and similar preparations. This board was formed through the cooperation of the medical profession, the press, manufacturers, and the advertising profession.

Import Restrictions

All pharmaceutical products were placed on the dollar import free list on October 1, 1954, and may now be imported into Sweden from the United States and other dollar-area countries without an import license.

Pharmaceutical products are also on the import free list of the Organization for European Economic Cooperation (O. E. E. C.), and may be imported without license from O. E. E. C. countries, sterling-area countries and territories, French-franc countries and territories (excluding Indochina), the guilder area, the Portuguese-escudo area, and Finland, Yugoslavia, and Indonesia.

Sales Restrictions

Pharmaceutical products are distributed to the public in Sweden only through pharmacies. Wholesalers of pharmaceutical products are given special permission by the Medical Board to import pharmaceutical products, but these wholesalers may under no circumstances supply the consumers with pharmaceutical products and they may distribute them only through pharmacies. Pharmacies may also import pharmaceutical products.

Authorization to engage in wholesale trade in pharmaceutical products is granted only to persons who either themselves possess good knowledge of chemistry, as certified by a Swedish institution of learning, or to firms that employ persons having such knowledge.

Manufacturers of pharmaceutical products or manfacturers using pharmaceutical products in the production of other commodities may also import pharmaceutical products. Heads of scientific institutions and of public research laboratories also may import pharmaceutical products.

Pharmaceutical products containing poisons may be sold by pharmacies only on presentation of a prescription from a physician licensed to practice in Sweden.

Price Control

The wholesale prices of pharmaceutical products are fixed by the Medical Board.

Import Duties

Pharmaceutical products, simple or compound, may be imported into Sweden duty free under statistical numbers 539:2 and 539:3 of the Swedish tariff schedule.

Special Regulations

The Alcoholic Pharmaceutical Products Decree of July 11, 1918, the Narcotics Substances and Preparations Decree of September 16, 1933 (No. 559), and the Poison Act of November 26, 1943 (law No. 877), in addition to the basic Pharmacy Law of November 14, 1913, and the Pharmaceutical Specialties Decree of June 15, 1934, govern the importation, manufacture, and distribution of such products in Sweden.

Sweden is a signatory to the International Agreement concluded at Geneva, July 13, 1931, between the United States and other powers for limiting the manufacture and regulating the distribution of narcotic drugs. The importation and distribution of narcotics are held under rigid control by the Medical Board.

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U. S. Department of Commerce Field Offices

Information on all phases of world trade—from comprehensive economic and business data to details on export and import regulations—is quickly and directly available to businessmen in their own localities through the 33 Field Offices of the U. S. Department of Commerce.

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The addresses of the Department's Field Offices follow:

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